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THE FAR EASTERN QUESTION

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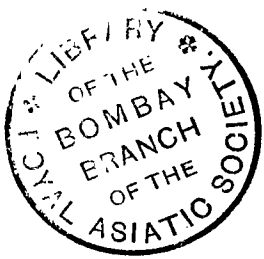
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A City Gate, Peking. [*Frontispiece.*

THE FAR EASTERN QUESTION

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BY

VALENTINE CHIROL

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Far eastern question
by Valentine Chirol

PREFACE

DEAR MR. WALTER,

I am indebted to you both for the opportunity of studying the Far Eastern question on the spot at a moment of exceptional interest, and for permission to make the fullest use of the letters which I have lately written on the subject for the *Times*. It is therefore only a debt of sincere gratitude which I am attempting very inadequately to discharge in asking you to accept the dedication of this small volume. I can put forward no other plea to recommend it than an earnest desire to draw public attention to a question which, for good or for evil, must eventually affect the most vital interests of the British Empire—commercial, industrial, and political. The war between China and Japan has inaugurated a new drama in the world's history, of which only the first act has so far been played. The scene is

laid at present on the other side of the globe, but the action in its further development and ultimate consequences may reach into the home of every working man in this country.

Yours sincerely,

VALENTINE CHIROL.

To ARTHUR WALTER, ESQ.

CONTENTS

CHAPTER I

PAGE

ENGLAND'S POSITION BEFORE AND AFTER THE WAR 1

CHAPTER II

CHINA AFTER THE WAR 9

CHAPTER III

THE MORAL BANKRUPTCY OF CHINA 20

CHAPTER IV

THE CHINESE CAPITAL 34

CHAPTER V

EUROPEAN DIPLOMACY AND THE TSUNGLI-YAMÊN 45

CHAPTER VI

THE FOREIGN POWERS AT PEKING 62

CHAPTER VII

THE GENESIS OF MISSIONARY OUTRAGES IN CHINA 78

CHAPTER VIII

PAGE

THE FINANCIAL POSITION OF CHINA 94

CHAPTER IX

FROM CHINA TO JAPAN 108

CHAPTER X

ANGLO-JAPANESE RELATIONS 124

CHAPTER XI

INDUSTRIAL JAPAN 138

CHAPTER XII

THE COMMERCIAL AND INDUSTRIAL INTERESTS OF GREAT BRITAIN 154

CHAPTER XIII

THE INDUSTRIAL FUTURE OF CHINA 167

CHAPTER XIV

WANTED: AN IMPERIAL POLICY 179

LIST OF ILLUSTRATIONS

FULL-PAGE ILLUSTRATIONS

TO FACE PAGE

A CITY GATE, PEKING . . . . . *Frontispiece.*

INSIDE PEKING, FROM THE WALLS 37

PRISONERS IN CANGUES, PEKING 38

THE FRONT OF A FASHIONABLE SWEETMEAT SHOP IN PEKING 40

BRITISH MARINES DETACHED TO GUARD H.M. LEGATION AT PEKING DRILLING INSIDE THE COMPOUND 42

CHINESE GUARDS OUTSIDE H.M. LEGATION AT PEKING . . . 44

A CHINESE COURT OF JUSTICE 90

ILLUSTRATIONS IN THE TEXT

PAGE

ON THE PEI-HO, GOING UP TO PEKING 36

A STATION MASTER ON CHINA'S ONLY RAILWAY 101

A CHINESE BRAVE 111

MAPS

MAP OF CHINA . . . . . } *End of Volume*

MAP OF JAPAN . . . . . }

THE FAR EASTERN QUESTION

THE FAR EASTERN QUESTION

CHAPTER I

ENGLAND'S POSITION BEFORE AND AFTER THE WAR

ONE of the last public speeches delivered on a non-political occasion by the late Prime Minister before the Government over which he presided resigned office contained the following memorable passage:—

> We have hitherto been favoured with one Eastern question, which we have always endeavoured to lull as something too portentous for our imagination, but of late a Far Eastern question has been superadded, which, I confess, to my apprehension is, in the dim vistas of futurity, infinitely graver than even that question of which we have hitherto known.

The only point open to criticism in Lord Rosebery's otherwise statesmanlike utterance, is that it seemed to relegate to a remote future the necessity of grappling with a crisis in the Far East which was already at that moment big with momentous consequences to the political and commercial interests of the British Empire. The relief which the Prime

Minister naturally felt at the termination of actual hostilities between China and Japan can, however, have only temporarily obscured his vision of the ominous circumstances which attended the ultimate re-establishment of peace. Even before he surrendered office events had occurred at Peking which must have convinced him that the final ratification of the Treaty of Shimonoseki merely set forth some of the terms of a new and vastly more difficult problem, which, if it is to be solved without detriment to the legitimate influence of Great Britain, calls for the immediate exertion of the best efforts of British statesmanship and diplomacy.

Until little more than a twelvemonth ago Great Britain had enjoyed for upwards of fifty years—*i.e.*, ever since she first broke down by force of arms the great barrier of Chinese exclusiveness—an almost undisputed ascendency in the Far East. Her prestige as a great Asiatic Empire, the splendid strategical positions which she holds at Singapore and Hong-kong, the steady maintenance of a commanding naval force in the China seas, the overwhelming preponderancy of her trading flag, the magnitude of her commercial interests, of which an import and export trade of some forty millions sterling per annum conveys only a partial idea, the unrivalled prosperity of her settlements in the treaty ports of China and Japan, the widespread diffusion of her language as the *lingua franca* of the East—all combined to secure for her a paramount influence

in those regions, which was almost openly recognised by the two leading Powers of the extreme Orient and tacitly admitted even by the great Powers of Europe.

Within the following twelve months the situation was completely changed. China and Japan had been allowed to embark, in spite of the urgent counsels of Great Britain, upon a sanguinary and needless conflict, and the theory of China's latent resources as a fighting Power, upon which our Asiatic policy for some time past had been largely built up, was violently shattered. Japan, on the other hand, whose national evolution had been only very imperfectly realised in England, triumphantly asserted her claim to take a respectable rank amongst the naval and military Powers of the world. The overtures made by England with a view to arrest the progress of hostilities during the earlier stages of the war were rejected by the European Powers whose co-operation she invited, whilst the naval forces which they gradually collected in the Yellow Sea displaced for the first time, to our detriment, the balance of sea power in waters where we had hitherto held undisputed sway; and when the two belligerents at last settled conditions of peace which, if they did not actually injure, at least very closely affected both the commercial and political interests of England, she stood aside apparently unconcerned whilst Russia, France, and Germany stepped into the place which she had vacated as

arbiter gentium in the Far East. China, perhaps for the very reason that she had done but little to deserve it, had learnt to rely implicitly upon British support, and when it failed her, at the crucial moment, she resented with intensified bitterness what she was pleased to call England's desertion of her in her hour of need, and hastened to display, chiefly at our expense, an unwonted measure of gratitude for the assistance which she had unexpectedly received from other quarters. In open violation of a convention with England barely twelve months old, she surrendered to French pressure territories which we had ceded to her on the express condition that they should not be transferred to any other Power without our consent; and to Russia she, at least temporarily, signed away her financial independence upon terms of which the full import can at present only be measured by the dictatorial tone in which their acceptance was enforced. It is doubtful whether even the heavy price already exacted by France and Russia, at least for the good offices of the Asiatic Triple Alliance, will avail to teach China the value of the less grasping friendship upon which she has turned her back. For the time being, at any rate, such advantages as can be derived from a dominant position in Peking, are lost to us and transferred to political and commercial rivals who have already given us a taste of the spirit in which they intend to exercise their ascendency over the decrepit Government of

China. For, if the Japanese victories have failed to rouse China out of her lethargy, they have exposed the full measure of her weakness, and left her lying in the last extremity. A resolute hand might still, perhaps, galvanize her into fresh vitality. Otherwise her inheritance lies open, and the inexhaustible resources in the shape of raw material and labour with which nature has equipped her to become the great industrial country of the Orient, if not of the whole world, are at the mercy of the strongest and the boldest.

It is useless now to waste words upon what might have been if the British Government, better informed by its technical advisers as to the real value of China's naval and military armaments, had exerted to the utmost the commanding influence which it at that time still undoubtedly possessed at Peking in order to save China, in spite of herself, from the hazard of an unequal struggle. It is now generally admitted that Japan was by no means so anxious to precipitate a conflict as was at the time assumed, and an emphatic admonition at Peking that China, instead of being allowed to build upon our benevolent neutrality, would, as far as we were concerned, be left severely alone to bear the full consequences of her own rashness would not improbably have induced her to make some concessions in the sense of a *condominium* in Korea which Japan might have accepted as an adequate satisfaction. Even at a later date England might have

at little risk taken upon herself, for the re-establishment of peace, the responsibility of isolated action, instead of vainly seeking to induce other Powers to share it with her. There is good reason to believe that in neither case would the rest of Europe at any rate have seriously disputed her right to exercise, in the common interests of all, an initiative which had hitherto, by general consent, belonged to her, if only in virtue of her transcendent commercial interests.

A more open question is whether her Majesty's Government was ill-advised in refusing to join hands with Russia, France, and Germany when they announced their determination to wrest from Japan a portion of the spoils of victory. On this point the late Government certainly seems at least entitled to the benefit of the doubt. The advantages of intervention from the Russian point of view were obvious, and, in view of the peculiar relations existing between Russia and France, the latter could on general grounds hardly withhold her co-operation, apart from the special uses to which she has skilfully turned the situation for her own account. Germany's action is more difficult to explain, except upon the assumption that she was mainly anxious to illustrate, at the expense of the Franco-Russian *entente*, the old adage that two is company and three is none. But, if so, the illustration has hardly turned out as she anticipated; for

she has had but cold thanks and scant consideration from her two associates, and she has neither disturbed the harmony nor shared the fruits of their partnership. England would probably not have fared better in this respect had she followed in the wake of the three Powers, and she would have gratuitously alienated the friendship of Japan at the very moment when its value was for the first time beginning to receive adequate recognition. Though the advice which we had to give Japan was not particularly palatable, since we could not assume the responsibility of encouraging her to reject the demands of the three Powers, our friendly attitude not only made it easier for her to submit to the inevitable without loss of dignity, but it helped also to remove a great deal of the widespread irritation to which the spitefulness of certain organs of the local English Press, and the peculiar construction alleged to have been placed by the British Admiral on the duties of a neutral fleet during the early part of the war, had given rise amongst so sensitive and excitable a people as the Japanese. Moreover, our abortive attempts to arrest the progress of hostilities had been construed in Japan as indicating a desire to deprive her of the fruits of her military successes, and our subsequent refusal to interfere with the conditions of peace agreed upon by the two belligerents afforded a signal proof of the sincerity of our professions that the re-esta-

blishment of peace on fair and equitable terms had been the sole object of our perhaps ill-timed, and certainly ill-fated, endeavours. Thus the path already tentatively opened up before the war by our generous treatment of the question of Treaty revision in Japan has been finally cleared for the better appreciation on both sides of the community of interests which exist between the island empires of the West and of the East. If this is the only point upon which one may cordially congratulate Lord Rosebery's Government, it is certainly one of no mean importance. Nor would it be fair to hold the late Government responsible for all the entries which have to be made in the debit side of this balance sheet. For whatever mistakes it may have committed, they were largely the result of the miscalculations inherited from previous administrations for a long time back.

But the consideration of past opportunities, neglected or not, is apt to raise party controversies, which mainly serve to obscure the paramount issue —namely how, under the conditions actually existing in the Far East, British interests can best be safeguarded in the future.

CHAPTER II

CHINA AFTER THE WAR

WHEN I called upon Li Hung Chang at Tientsin on my way back from Peking his first question was why I had remained so much longer than I had originally intended in the Chinese capital. I replied that I had been looking for some sign of the awakening of China. "I hope," rejoined the Viceroy with a grim smile, "that your time has not been wasted." In one sense certainly, as I assured his Excellency, my time had not been wasted, for I had at least satisfied myself that the search upon which I had been engaged was a futile one. Nowhere in Peking could the faintest indication be detected of a desire to apply, or even of a capacity to understand, the lessons of the recent war.

A more hopeless spectacle of fatuous imbecility, made up in equal parts of arrogance and helplessness, than the central Government of the Chinese Empire presented after the actual pressure of war had been removed it is almost impossible to conceive. Its position was indeed an unenviable one. The conflict of Euro-

pean interests was waxing fast and furious within its gates. The new friends whose intervention had unexpectedly mitigated at the eleventh hour the penalty exacted by the conquerors were clamouring for payment of their good offices. The remaining provisions of the Treaty of Shimonoseki had still to be carried out and Formosa formally handed over to Japan, whilst the secret hope could not be relinquished that something might still be made out of the forces of local resistance by inciting them against Japan. Futile attempts had to be made to postpone for a few months or weeks or days so humiliating an ordeal for the Son of Heaven as that of welcoming back to Peking the official representative of the victorious Mikado. The armed rabble, ill-paid and half-starved, which had been gradually driven together from distant parts of the Empire to be a terror, not, indeed, to the Japanese, but to the peaceful population of the frontier provinces, had to be disbanded and bribed with some small pittance of their arrears to go home in a good humour. The powerful satraps on whose fluctuating loyalty depends the slender authority of the central Government over the provinces had to be alternately coaxed and squeezed, whilst the loans which they had raised and the bills which they had drawn during the war under the splendid pretext of national defence had to be met, renewed, or whittled down. The pressure which had been exercised for obvious reasons during the war to discourage any serious outbreak of anti-

foreign feeling had to be relaxed in order to refute the damaging imputation of too great subserviency to European influence, and at the same time these manifestations of national independence had still to be kept within bounds, lest the long-suffering patience of Europe should be put to too great a strain. In and above all things the central Government had to "save its face"—*i.e.*, to maintain those immutable forms and appearances which, in the private as well as in the public life of the Chinese, have nothing to do with realities, but entirely overshadow them.

"Make see," as in his pidgin-English jargon the Chinaman designates the art of making what is not seem as if it were, is the beginning and the end of Chinese statecraft. It stares at one from the mock battlements of the Peking walls, where wooden boards painted to look like the muzzles of heavy ordnance fill the frowning embrasures, and with the Vermilion Pencil it is written quite as legibly on every edict initialled by the Emperor. Europe, it must be admitted, had contributed certain features to the situation which materially helped the central Government to go on playing successfully its venerable game of "make see." In the provinces at least, if not in Peking, a construction could be placed upon the intervention of the three Powers which was eminently soothing to Chinese vanity. The Japanese dwarfs had indeed been troublesomely aggressive, but the Son of Heaven had only had to raise his finger and beckon to the western vassals of

the Middle Kingdom and they had at once obeyed his summons and swept the pigmies out of the forbidden territories. And who was likely to contradict such a story? Were not the Hunan troops, who arrived at the seat of war after the conclusion of the armistice, returning home convinced that the mere rumour of their approach had driven the Japanese to seek safety in flight before their invincible legions? Could not every coolie who had saved his skin during the war by stampeding at the first sound of a Japanese bullet be trusted to save also his own "face" at home by impressing his village audience with a splendid story of imaginary victories *quorum pars magna fuit?* As for the dead they tell no tales, and in a country where floods and famines causing often greater loss of life than the whole war against Japan are looked upon as a Providential dispensation to keep down the numbers of an all-too-prolific race, the "butcher's bill" is of small account. It may be argued that, failing any other evidence of the reality of their defeats, the Chinese must at least credit the confessions of disaster contained in public proclamations from the Throne. But it is doubtful whether these proclamations ever filter down amongst the masses, and the terms of exaggerated self-depreciation which even the highest of the land are bound according to the rules of propriety to use with reference to themselves and to their own acts are seldom taken by their cautious inferiors in any other than a Pickwickian

sense. Moreover, owing to what one of the ablest students of Chinese character has appropriately designated as its "intellectual turbidity," a Chinaman has no difficulty in entertaining at the same time two entirely opposite and irreconcilable opinions.

Another circumstance which has largely contributed to restore the self-complacency even of officials best acquainted with the true state of affairs has been the eagerness shown by European capitalists and Governments to press their financial favours upon China. As one of them remarked to me, "You tell us that we are at death's door, and that nothing can save us but drastic reforms; yet, reforms or no reforms, you are willing, nay anxious, to trust us with your millions." That a loan to a dying man may, in given circumstances, be a specially lucrative operation, or that the main point in such matters is the soundness, not of the borrower's health, but of the security he has to offer, was a consideration which did not commend itself to the Chinese mind. If Europe is so eager to lend her money to China, China cannot have "lost face" even with Europe, much less with her own people. Even if the Chinaman allows that the Chinese army and navy were hopelessly beaten, what of that? Have not other nations suffered terrible reverses in the field and survived them? And why were the Chinese beaten? The Im-

perial edict says because a great sea-wave destroyed the fortified positions of the Chinese all along the coast. A learned general has written a treatise to prove that China's reverses were due to her desertion of the sound principles and methods of war handed down by the ancients, and to her ill-advised adoption of European armaments. Accordingly, the hammer and anvil were busy all over the Empire turning out an endless supply of *jinghals*, a mediæval sort of matchlock, and the militant youth of Peking could be seen practising every afternoon with the bow and arrow under the city walls—an art, by the way, of which the supreme object according to Chinese notions is not so much apparently to hit the target as to preserve a correct and elegant posture whilst bending the bow. The corruption and incompetency of certain high officials have, indeed, been openly admitted and censured, and in some cases even punished. But there is not a single Chinese official who will openly admit that the corruption and incompetency, and the disasters which they have involved, are the result, and the inevitable result, of a system of government rotten to the core.

Nor can such an admission be expected from the official classes, for their existence is bound up with that of the system upon which they thrive, and no scheme of reforms capable of regenerating China can be devised which will not cut at the

very roots of that system, and therefore threaten their existence. But, if the official classes are not likely to acquiesce in any practical recognition of the principle that rights imply also duties, the non-official classes seem, it must be confessed, just as incapable of realising that they have rights as well as duties. Docile to a degree seldom paralleled even in other Oriental countries, they accept the misgovernment of China as the natural order of things. The masses are, of course, profoundly ignorant of the existence of other conditions elsewhere; but the only difference to be traced amongst those who have had a wider experience is that they look upon the misgovernment of their country as a special and unfortunate, but none the less immutable, dispensation of Providence. A Chinese merchant who had lived for many years in India admitted to me that China was in this respect an ill-favoured country, "Plenty mandarins, plenty lice!" but he evidently regarded both species of vermin as part of the scheme of creation to which a Chinaman must patiently submit. The singular indifference and aloofness with which the non-official Chinaman contemplates the action of his rulers, so long as it does not directly, immediately, and tangibly affect his pecuniary interests or his most cherished customs, is almost incomprehensible to the Western mind. Within certain limits he knows how to take care of himself and to check by combination abuses which exceed the normal amount.

But the conduct of public affairs in their broader aspects he regards as something with which he cannot possibly have any concern. It is the business of the mandarins, and if they mismanage it that is their look-out, not his. They may have mismanaged the war with Japan, and they probably have, for he has a shrewd idea of the worthlessness of his rulers. If so, they ought to be punished for their wrong-doing, as all wrong-doers, at any rate all those who are found out, ought to be punished; but that their wrong-doing affects him—that he, the merchant, the artisan, the farmer, will have ultimately to bear the cost of that wrong-doing, he simply does not see. He himself is honest, according to his lights, industrious, persevering, and, within certain limits, intelligent and enterprising, and upon his own pursuits he brings those qualities to bear with signal success. But that his rulers should be expected to bring the same qualities to bear upon the conduct of public affairs, or that he has a right to demand it of them because the public affairs are also his affairs, is an idea which never enters his head. He manages his shop or his farm, the mandarin manages his Yamên, each one as best he can for himself. It has always been so in China, and that is with the Chinaman a sufficient explanation and justification for anything. His intense conservatism and pride rebel against the notion of any change, even for the better.

That a community of interests and reciprocity of duties must exist between the different classes of a well-ordered society is an idea entirely alien to the Chinese mind. In fact, the language is incapable of conveying a conception of the State as representing the *res publica.* When France became a republic the Chinese *literati* were unable to translate the word, and they had to adopt a mere phonetic transliteration. As in the family relations the duty of filial piety is impressed by the parents upon the children without any corresponding recognition of what parents owe to their children, so in the social relations ample stress is laid upon the duty of submission towards rulers, but no thought is taken of what rulers owe to those committed to their rule. Nothing could be more characteristic in this respect than the terms of the Imperial edict announcing the conclusion of peace. The Son of Heaven declares, indeed, that he has spent sleepless nights shedding tears over the disasters which have befallen his armies and his fleets, over the incompetency and corruption of their leaders, and over the great sea-wave which has swept away the coast defences. But, if he has decided to abandon all attempt to restore the fortunes of war, it is not, apparently, that he shrinks from exposing his defenceless country to the horrors of invasion, or from sending forth his wretched subjects to be butchered in an unequal struggle. No, the paramount consideration upon

which the Imperial decision is based is his duty to the Dowager Empress, "the venerable lady who, if hostilities were renewed and Peking threatened by the Japanese, would have to seek refuge in flight and be exposed once more to the hardships of a long and arduous journey." And, as far as public opinion may be said to exist, this touching exhibition of filial piety produces doubtless the desired effect and saves the Emperor's "face." In the same way the bullet of a Japanese desperado went far to save Li Hung Chang's "face" and to invest with the redeeming touch of dramatic effect a part which, however patriotic from a Western point of view, must have otherwise involved, from the Chinese point of view, an irreparable loss of credit.

Life, according to the Chinese classics, is a stage, and on this stage the Chinaman must above all contrive to perform his part in strict accordance with the rules of histrionic art, *i.e.* with the traditional canon of Chinese proprieties. To ask that he should win battles because he happens to have been cast for the part of a general, or that he should be an upright judge because he discourses eloquently on the abstract beauty of justice, would be an offence against that same canon of proprieties which his audience, the Chinese public, would never dream of committing. Foreigners are always committing this offence, and it explains in a great measure the hatred entertained, especially amongst the upper classes, towards them, and most of all

towards the missionaries. Not only do these barbarians refuse to accept the Chinese canon of proprieties, but they actually set the scandalous example of men and women trying to live up to the standards which they profess!

Thus, insincerity practised as a fine art and self-interest on the one hand, apathy and fatalism on the other, ignorance and pride on both, combine to uphold the traditional order of things against the sternest lessons of experience, and the prospect of any spontaneous awakening of China is as remote after the war as it was before. The distant thunder of the Japanese guns may have disturbed for a moment the heavy slumber of the worn-out giant, but the nightmare has passed away, and after the vain attempt to stretch his inert limbs, he has sunk off into a deeper sleep than ever. As a Frenchman wittily put it, "Avant la guerre la Chine dormait sur une oreille; aujourd'hui elle ronfle sur les deux oreilles."

CHAPTER III

THE MORAL BANKRUPTCY OF CHINA

THERE can hardly be a stronger proof of the moral bankruptcy of China than her inability to produce a single man at such a crisis in her fortunes.

Of the powers that hold sway within the pink walls of the Forbidden City little can be known. The Emperor Kwang-Hsu appears to be a sickly youth, with a melancholy but not unattractive countenance, given to violent fits of passion, which he gratifies in a relatively harmless way by smashing his furniture. In the self-imposed seclusion of his palace, within whose precincts only women and eunuchs are allowed to dwell, he holds no communication with the outside world except through the high State officials, who, in the small hours of the morning, approach him on bended knee to present reports upon public affairs in which, it may safely be assumed, the necessities of truth are largely subordinated to the considerations of courtly expediency. When he goes forth from time to

time to sacrifice in one of the Imperial temples of the capital, the streets through which he passes are carefully cleared and guarded, the houses on either side are shut off with heavy hangings, the ground is strewn with yellow sand, and everything removed which might offend the sensitiveness of Imperial eyes or nostrils. Through the deserted thoroughfares the Son of Heaven flits, generally in the stillness of night, like a ghost, borne in a lofty palanquin by a troop of bearers who have been carefully trained beforehand to carry on their shoulders an enormous bowl filled with water to the brim without allowing a drop to overflow. In Eastern countries generally the real power of the Sovereign decreases in the same ratio as grows the bondage under which he lives to the daily tyranny of a soul-killing Court etiquette. Only a century ago the Emperor Kieng Lung moved freely amongst his people, and took an active part in all manly pursuits. Even in the passionate rescripts of the Emperor Hsien Feng, just before the Anglo-French expedition, there were still traces of a virility which seems to have since withered away, under the influence, perhaps, of long female regencies.

Until last year, notwithstanding her nominal retirement after the present Emperor's marriage in 1889, the Dowager Empress undoubtedly continued to exercise a paramount authority. That she possesses energy and ability of a high order

is proved by the skill with which she grasped the reins of power, in concert first with the widow of the Emperor Hsien Feng after his death in 1861, and the tenacity with which she has held them more or less continuously ever since, boldly breasting or cunningly circumventing every obstacle that successively arose in her path. She has often been compared to Catherine the Great, and in everything but the broader aspects of statesmanship the analogy is not infelicitous—most of all, however, in regard to the greed of power, extravagance, and sensuousness common to both. The anniversary of her sixtieth birthday was to have been celebrated last autumn on a scale of unusual magnificence. Large sums were sent up from every province, and still larger sums were levied by the provincial officials as the free gift of a grateful people. A splendid road, which at least gives some idea of what Chinese roads were like in the days of the Empire's prosperity, was built from Peking to the residence of the Empress Dowager near the Summer Palace for the Imperial procession to pass over. The city gate giving access to it was restored in all the pristine glory of quaintly carved and painted architecture, and every house and shop along the road blossomed out into a galaxy of newly-gilded signboards and many-coloured woodwork. But the disasters of the war shed a gloom over the outward celebration, and, it is believed, for a time at least, disturbed the filial piety of

which it was intended to be the crowning illustration. How far the Empress Dowager's influence has been permanently shaken it is impossible to say, but there were undoubtedly stormy scenes within the palace of which an unmistakable echo reached the outside world in the publication of a memorial from one of the Censors vigorously denouncing the baneful effects of "petticoat" government. The very mild punishment inflicted upon the author of this philippic showed the sentiments expressed in it to have been viewed, to say the least, with considerable leniency in the highest quarters.

Of the high officials who form the central Government at Peking I shall have more to say when I come to deal with the Tsung-li-Yamên, or Board of Foreign Affairs, and its relations with the European representatives. Influential as some of them unquestionably are, it is not in their ranks that the two most conspicuous personages on the public stage are at present to be found. The one is Chang Chih Tung, now acting as Viceroy at Nanking, and the other Li Hung Chang, the septuagenarian Viceroy of the home province of Chi-li. Enemies to the knife, and representing two opposite and conflicting tendencies, each of them possesses qualities which at least lift him out of the herd of sordid and crassly ignorant mandarins who form the bulk of the ruling class.

Chang Chih Tung has the unique reputation of

having spent rather than acquired his fortune in the public service. Profoundly versed in Chinese classical lore, an unrivalled mastery of language brilliant and incisive has given him a reputation and influence which could only be acquired in a country where in the most literal sense of the word it may be said that "Le style, c'est l'homme." He is an ultra-conservative Chinaman and credited with a fierce hatred of Europeans. But he is sufficiently intelligent to appreciate some of the results of Western science and industry, and he would like to see China equipped with the weapons of modern civilisation in order to wage war successfully against it. He it was who, perhaps, mainly to overtrump one of Li Hung Chang's cards, memorialised the throne in 1889 in favour of constructing a great trunkline to connect Han-kau with Peking, but he insisted with no less vehemence that China must build her railways for herself and with her own materials. His memorial was approved, and at Wuchang, opposite Han-kau, whither he had been transferred to carry out his scheme as Governor-General of Hukwang, he set to work with indomitable energy to erect immense factories for the production of steel rails and railway material of all sorts. Of the economic conditions necessary to the success of any industrial enterprise he was profoundly ignorant, nor would he listen to the few European technical advisers whose services he had been compelled to enlist. It has been a ruinous

undertaking, but, if he has squandered upon it all the public moneys he could lay hands upon, he must at least be given the credit of having with equal alacrity thrown his own private fortune into the melting-pot. He was an ardent advocate of war *à outrance*, and when peace was concluded with Japan he stormed in his Yamên "like a wild beast at bay." The proclamation of the Formosan Republic is believed to have been partly instigated by him, and he certainly had a considerable share in organising and supplying the forces of local resistance in the island. He is also suspected in some quarters of having had a hand in fomenting the anti-foreign riots in Szu-chuan. Be that as it may, he is undoubtedly an honest fanatic, and, impracticable as he is, the sincerity of his crack-brained enthusiasm and the cleanliness of his personal character entitle him, perhaps, to more respect than can properly be given to his better-known rival.

Li Hung Chang is a man of a very different type. Gifted with no mean intelligence and with a double dose of Chinese cunning, he is too much of a sceptic to allow prejudices or principles of any kind to stand in his way. Brought more often than most of his fellow-countrymen into contact with Europeans, especially during his five-and-twenty years' residence at Tien-tsin as Viceroy of Chi-li, he has rubbed up acquaintance with Western modes of thought, and he has learned with some success,

the art of turning towards every European whom he meets that facet of his character which is most likely to impress his visitor. On proper occasions he will shed crocodile's tears over the iniquity of the opium trade, yet nowhere does the cultivation of the native poppy receive more encouragement than in the province which he rules, nowhere does the noxious plant thrive more luxuriantly than on his own vast estates. He will pen with the same unction a memorial to the throne on the sacredness of Chinese traditions and a preface to a book published for China by the Society of Christian Literature. He will deplore the lamentable periodicity of famines in China, and nod eager assent when he is told that the only remedy is to build railways which shall convey to the stricken districts the surplus of other provinces; yet he failed utterly to cope with the famine which broke out last winter in his own province. Within sixty miles of Tien-tsin, on the only railway line in China, famine fever carried away 1,200 victims in one village, while a "corner" in the grain trade was being engineered in the Viceroy's Yamên, and train-loads of rice were constantly passing down the line, under the very eyes of a starving population, to fill not so much the stomachs of the soldiers as the pockets of the generals encamped at Shan-hai-kwan. With the best spirit of modern civilisation Li Hung Chang has probably less sympathy even than Chang Chih

Tung. What he wants of it is only the outward appearances and appliances. Plenty of coolies with uniforms and weapons and a few European instructors picked up haphazard are enough to make an army, ironclad ships and heavy guns to make a navy. Of the complex administrative machinery required to set modern armies and navies in motion, of the honesty and ability which keep that machinery in constant working order, of the internal discipline which maintains its cohesion, he certainly appears to have had no conception, at least until the war, for no one was more amazed than himself at the total collapse of his picked troops and costly ships. It may be doubted whether he has even now realised it, when to those who urge that China must take a leaf out of Japan's book his only reply is to inquire petulantly whether the Chinese are expected to wear European hats and clothes like the Japanese. That corruption on the hugest and most unblushing scale prevails amongst the friends and relatives who form his social *entourage* and political supporters, even his admirers do not deny; and it is difficult to believe that his own hands are clean when he is known to have amassed in the course of a long official career a colossal fortune reputed by many to be the largest possessed by any single individual in the whole world, and certainly in China. Yet with all his shortcomings he is still the man whose influence is believed to represent the best that can be looked for in China under existing conditions.

His knowledge of public affairs, both domestic and foreign, is unrivalled amongst his countrymen. He held throughout the last regency a high place in the confidence of the Empress-Dowager. He has been more or less directly associated with all the negotiations which have taken place with foreign Powers during the last twenty-five years, and if he was not unnaturally reluctant to undertake the painful mission of proceeding to Japan as a humble suitor for peace, he unquestionably discharged it with dignity. If the mainspring of his actions must generally be looked for in his own personal interests, he realises, perhaps on that account, all the more clearly, the expediency of developing at least the material resources of the country and the necessity of calling in for that purpose the assistance of foreigners. He has already shown himself the leading spirit in the few industrial and commercial enterprises started by his fellow-countrymen. He has founded educational and even charitable establishments of which it can at least be said that they are unique in China. He has built the only railway in the Empire. He was the first to realise the utility of telegraphs. Above all, what he does he does with a will. When the first telegraph line between Tien-tsin and Peking was being repeatedly cut and the poles pulled down he was gravely told that these acts were committed by the Fungshui, the mysterious spirits of earth and water disturbed in their favourite haunts by

a hateful European innovation. Li Hung Chang replied that if he caught one of these Fungshui interfering with the telegraph it would go badly with him. The hint was sufficient. Neither man nor Fungshui ever again tampered with the line.

That Li Hung Chang can possibly be the prophet of a great moral revival in China it is difficult to believe. But it is equally difficult to believe that any such prophet can arise out of the ranks of the official classes. "Do men gather grapes of thorns or figs of thistles?" Their existence is bound up with that of the system which has produced them and upon which they thrive, and the system itself is a tissue of impostures. From his youth the future mandarin is taught that imposture rules the world—and not only this world, but the shadowy world beyond. He learns that his gods can be over-reached by the merest trickery, for are not the lips of the household god smeared over with treacle on the day when he has to make his annual report to the superior deities, so as to prevent any unpleasant tales being told out of school, and that even the duties of filial piety—the most sacred of all in his eyes—can be just as laudably discharged at his neighbour's expense as at his own, for what other moral can he deduce from the story of the young nobleman who has been held up to the admiration of successive generations for having during a visit to

some friends stolen some oranges, instead of honestly buying them at the nearest fruit stall, because forsooth he knew that his mother would relish them? He learns by rote an encyclopædia of excellent moral sentiments, a knowledge of which is the "Open, Sesame" of public life, but once inside the gates, and probably long before entering them, he knows that to put such sentiments into practice is the last thing which is expected of him. Familiarity with the Analects of Confucius will qualify him to hold a public appointment, but it will not suffice to secure him one. It is often assumed that, because China has adopted from the most remote period the principle of open competition for Government appointments, a sound democratic element must be infused into its public services. Success in the public examinations is certainly, with rare exceptions, a condition precedent to any official appointment, but it is by no means the only condition. One has only to look down the list of the higher officials to see how large a share of the good things is monopolised by influential clans and families. The number of successful candidates always far exceeds that of the vacancies to be filled. Unless some happy accident serves them, those who have neither money nor influence must needs wait till those who have are provided for. The humbler *literati* must look for a patron to help them on in their turn, and, whilst they are gaining his favour by doing the dirty work of his Yamên, whatever illusions they

may have brought with them from the healthier surroundings of their youth rapidly crumble away. As soon as a Chinaman enters official life he belongs to an oligarchy which stands entirely apart from the rest of the nation, wrapped up in its hereditary pride and bound together by the closest ties of self-interest.

Of equally little value will the young mandarin find the Analects of the Master in helping him to hold with advantage to himself an appointment, nominally worth a few hundred taels a year, which he may have ultimately succeeded in purchasing by the payment of thousands of taels in hard cash. His first duty is to repay the honest bankers who have advanced him the purchase-money on the mere security of his prospects, with proportionate interest. This is a recognised form of business, or rather of speculation in China, and by no means unprofitable. The bankers or syndicate have a lien on the first year's profit of the promising young mandarin whom they have undertaken to finance, and on the other hand they take the chances of the borrower's death or removal from office before the loan has been repaid. His second duty is to put aside the amount necessary to purchase a renewal of his appointment, which is generally held on a three years' tenure. His third duty is to save something on his own account. Only when these duties have been adequately discharged can he be expected to consider what duties he may owe to the public interests committed to his

charge. Of the relative scale on which these various duties are conceived the following instance may serve as an illustration. A Hoppo, or native Customs collector, for the province of Canton paid 500,000 taels for his appointment, nominally worth a few thousand taels a year. His own profits during three years' tenure of office amounted to over three million taels! Successful robbery on such a gigantic scale would be impossible were it not universal. From the Palace at Peking, through the provincial seats of government into the Yamêns of the smallest officials in remote country districts, from the heart of the Empire through its arteries and veins into all its extremities, there flows a constant stream of unutterable corruption. That public corruption should breed also the worst forms of private corruption is inevitable. Peking enjoys in both respects an undisputed pre-eminence. It is difficult to get even a glimpse of Chinese private life, but the advertisements publicly displayed in the streets of the capital show its moral atmosphere to be as foul as the effluvia which assail one's nostrils. Over the gate of his Yamên or over the door of his private residence the mandarin displays his name and title, accompanied by an unimpeachable text; but on its blank walls he tolerates placards which in any European country would fall within the reach of the criminal law.

There is no rule without exceptions, and even amongst the official classes of China there are

doubtless individuals who, in both their private and their public life, rise superior to the influences which surround them. But they can do so only as far as they are themselves personally concerned. They cannot afford to challenge a conflict with the whole class to which they belong. They may try to keep their own hands clean, but woe betide them if they try to impose such an inconvenient practice upon others. With all the prestige of a great name and a great position, Chang Chih Tung made the attempt and failed. Li Hung Chang never even made the attempt; according to his more charitable critics, because he was too clever to waste his energies on such a hopeless task; according to others because he never felt any personal disposition to undertake it. It may be doubted whether the Son of Heaven himself could break down the formidable resistance which the vested interests of the official classes would offer to any comprehensive scheme of reform.

CHAPTER IV

THE CHINESE CAPITAL

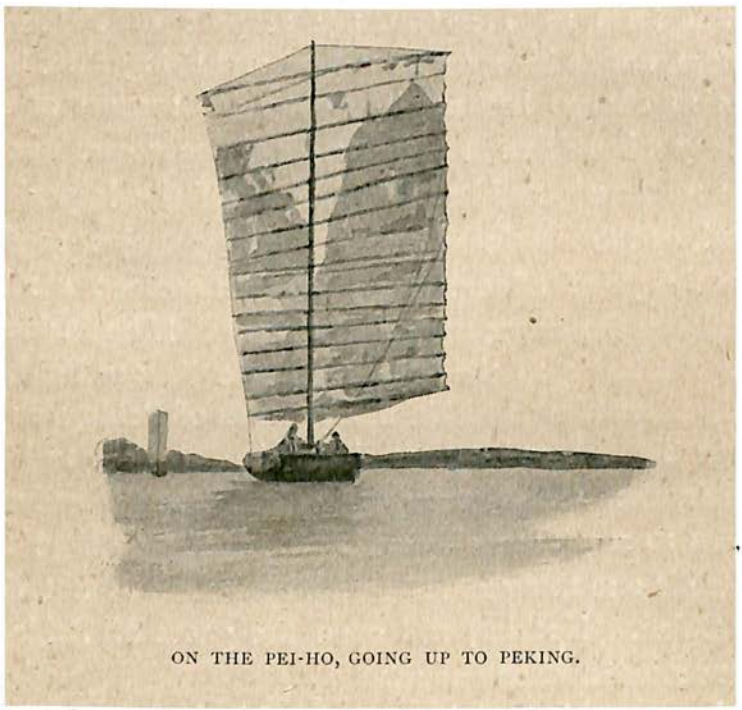
PEKING may not perhaps be in every respect a representative Chinese city, but such as it is, Peking is the capital of the Empire, the abode of the Son of Heaven, the seat of the central Government, the residence of the foreign representatives, the focus of all political interests, domestic and external. It may not be fair to judge of China entirely by Peking, but it would be well-nigh impossible to realise what China is without having seen Peking. Even to approach it from the coast is an instructive introduction to a knowledge of China, for, if to reach Peking by the most direct and frequented route is nowadays a matter of no serious hardship or difficulty except in winter when it involves a long and arduous land journey from some ice-free port, one cannot fail to be impressed with the evidence that whatever of hardship or difficulty there may be the Chinese are determined no effort of their own shall reduce.

When, from the north or from the south, his

steamer has crossed the Gulf of Chi-li, the traveller may consider himself lucky if he is not detained for a day or two in unsuccessful attempts to get over the bar at the mouth of the Pei-ho—"the heaven-sent barrier" as the Chinese gratefully call it—or in winding up the shifting bed of the river past the Taku forts to Tien-tsin, the seaport of Peking. There, unless he cares for a long and tiring ride, he has to choose between the exquisite torture of a ninety miles drive in a springless Chinese cart over the scattered boulders and pitfalls of the Imperial road, or the weariness of a native boat subject to all the delays of adverse winds and unforeseen sand-banks on the most tortuous of streams. If he decides for the latter as the lesser of two evils, the Pei-ho only takes him to within fifteen miles of Peking, and from Tungchow he must ride, drive, or walk to his destination, and he must, above all, time his arrival so as to reach the city walls before nightfall. For there is one thing at least which money will not do in China. Nothing will open the gates of Peking between sunset and sunrise.

He must indeed be a man of little imagination who is not powerfully moved by the first sight of that long line of stately battlements standing out for miles and miles in bold relief against the sky. Unbroken save by the curving roofs of the still more lofty towers which at equal intervals surmount the sixteen gates or mark the four salient angles of the great quadrilateral, they conceal every trace of the

strange world of barbaric splendour and immeasurable squalor which lies behind them. It is true they are obsolete for all purposes of practical defence, they are crumbling away in places, their armaments are a sham; of the area which they enclose barely one-third is built over, the rest consists of waste



ON THE PEI-HO, GOING UP TO PEKING.

stretches of sand or of cultivated fields, but even then the walls of Peking remain, or perhaps it is this very blending of real and counterfeit grandeur which constitutes them, a monument more impressive and characteristic than any other of the colossal imposture whose massive inertia has so long been interpreted to indicate an overwhelming reserve of unexerted strength.

INSIDE PEKING, FROM THE WALLS.

[*To face p.* 37

The whole life of the city is concentrated in a few densely populous quarters. The total population formerly estimated at millions is now put down at barely three quarters of a million. But what a population it is that crowds the narrow lanes of the bazaars in the Chinese city, that surges in and out of the gateways which lead from the Tartar city into the Imperial city, that flows in a ceaseless tide under the pink walls of the Forbidden city!—Mandarins of the Peacock Feather, bloated eunuchs from the Palace and ladies of fashion, borne swiftly along in curtained chairs with the semi-transparent blinds drawn carefully down, or conveyed in hooded carts slung on heavy brass-nailed wheels of which the precise build and position indicate, like the crest or coronet of a London barouche, the exact rank and precedence of the owner; officials of less high degree, well-to-do merchants and women of the middle classes squatting inside the clumsier carts which are the hackney cabs of Peking; humbler folk perched sideways on the knife edge of omnibus wheelbarrows; young bloods on gaily caparisoned mules; Yamên messengers on horseback; files of heavily-loaded, long-haired camels from Manchuria; nimble, surefooted donkeys from the neighbouring villages; swaggering soldiers in motley uniforms with heavy *jinghals* on their shoulders; yellow-robed Buddhist priests with close-shaven pates shining like billiard balls in the sun; bird-fanciers with dainty pets in cages, the one innocent passion of almost every Chinaman; big

brawny coolies stripped to the waist with their pig-tails wound round the crown of the head; vendors of sweetmeats, and vendors of rotten fish; itinerant auctioneers and pedlars of every description; professional beggars flaunting their hideous sores and mutilated stumps, the stock-in-trade of a powerful and wealthy guild over which a Prince of the Blood presides; astrologers and soothsayers, jugglers and conjurers, each surrounded by a small crowd of gaping admirers; criminals stumbling along in *cangues*, their heads protruding from a hole in the heavy wooden board dependent from their shoulders, on which are inscribed their offence and their sentence; women and girls with the enamel of last week's or last month's paint and powder streaked with dirt and perspiration; swarms of stolid, joyless children, the boys in many cases dressed out as girls in order to deceive the jealous deities whose wrath disdains to wreak itself on the soulless sex; all equally unwashed and malodorous, mandarins and mendicants, princes and peasants, in silks or in rags, but making up withal a picture of which the kaleidoscopic fascination never palls.

Nor is the frame within which the picture is set less strange or striking; here a spacious thoroughfare encumbered with tumbledown shanties and matted hovels of bamboo, but lined on either side with the daintily carved and gilded woodwork of monumental shop fronts and bright with a profusion of gaudy signboards and flags and streamers and

PRISONERS IN CANGUES, PEKING. [*To face p.* 38.

many-coloured hangings; there a corner of the mysterious pink walls behind which rise in the very heart of the city as in an inmost sanctuary, the yellow-tiled roofs of the Imperial palaces, the gilded prison, self-imposed, of "the Solitary Man," "the August Lofty One," "the Lord of Ten Thousand Years"; there the deep archway of the Chun-man gate leading out of the Tartar into the Chinese city across the Beggars' Bridge, the squalid Rialto of Peking; there at the junction of some of the busiest streets an elaborate triumphal arch, erected to the memory of a virtuous maiden who, like one of the classical exemplars of filial piety, used to strip off her clothes at night in order to attract the mosquitoes away from the couch on which her venerable parents were reposing; there a labyrinth of narrow lanes, each more or less exclusively tenanted by some particular trade, the great bazaar of the Chinese city, where everything is bought and sold from the priceless gems of Chinese art to the foulest products of Chinese depravity; there the spacious enclosure of a Buddhist temple where, enthroned amidst a strange assemblage of fierce and sordid gods, the serene figure of Buddha the Compassionate seems invested with more than its usual pathos; or again in a stately grove of silver cedars a severe and noble hall sacred to the memory of Confucius, whose lofty aphorisms, carved in letters of gold on the massive timber columns and panelled ceiling read like the bitterest satire on the whole

social system which still masquerades under the cloak of his high-sounding philosophy; there, in the official quarter of the city, the government Yamêns, buildings commonplace enough in themselves, but to one at least of which dark and painful memories will always attach, for it was behind the dull brick walls of the Board of Punishments that the deed of foul treachery, which in 1860 delivered into the hands of the Chinese a small band of gallant Englishmen, was followed up by fouler deeds of torture under which the physical strength of some, but never their stout hearts, succumbed; and ever and anon in the background, behind palaces and hovels, above the painted roofs of the temples and above the frequent verdure of the trees looms the long-drawn line of the battlemented girdle of walls gray and grim with the mystery of ages.

But unique as are the scenes which, attractive or repulsive, on all sides fascinate and bewilder the European traveller when he sallies forth into the streets, it is at no small cost that he gratifies his curiosity. All his senses are assailed at the same time, his nostrils by the most pungent and loathsome effluvia, his eyes by revolting sights, his ears by the discordant din of a strangely uncouth tongue. In the dry season he has to plough his way ankle deep in dust, and in the wet season through pools of liquid mud, dust and mud equally compounded of the unutterable filth of an undrained city where every

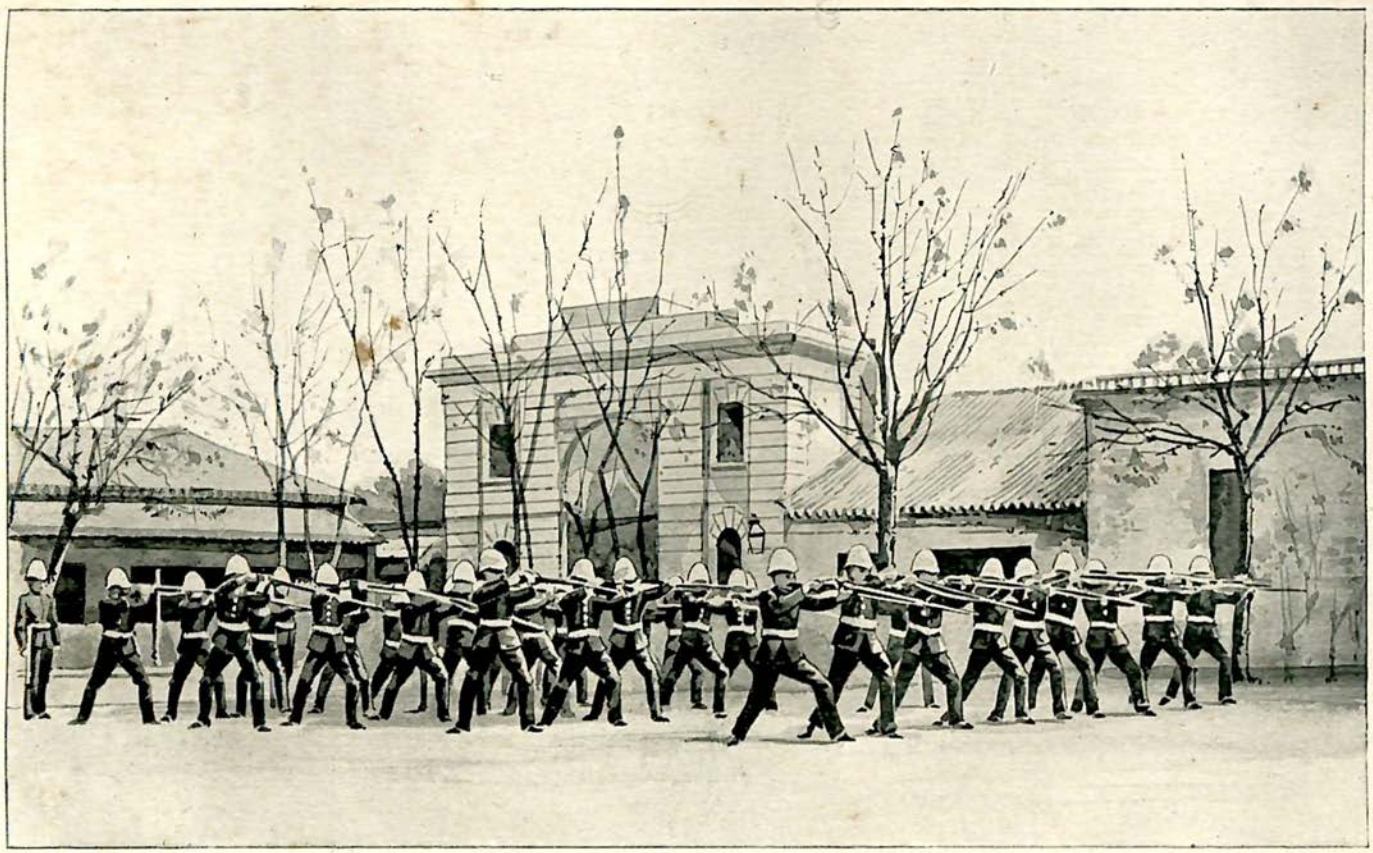
THE FRONT OF A FASHIONABLE SWEETMEAT SHOP IN PEKING.

[*To face p.* 40.

thoroughfare does duty for a sewer, where the doorstep of every house is used as a cesspool. Wherever he goes he moves in an atmosphere of hatred and contempt. One by one every monument of public interest is being closed against him, and if he contrives to buy his way into one of them, he not infrequently has almost to fight his way out again. In the beautiful park which surrounds the Temple of Heaven the small English colony of Peking had its cricket field for some years after the war of 1860, but now it is only from the nearest point of the city walls that one can steal a glimpse of the azure dome and white marble platform, where, on the night of the winter solstice, alone and face to face with the parental firmament, the Son of Heaven offers up filial worship as the supreme mediator between Heaven and earth. Most of the other temples are equally forbidden ground, though in some cases, and curiously enough, mainly through the friendly relations of our missionaries with the Chinese priests, one may obtain permission to visit them *sub rosa*. Even to the city walls access is nowadays prohibited, albeit the guardians of the gates are seldom proof against the offer of a small gratuity. Everywhere except in the immediate neighbourhood of the European legations, curiosity, mingled with undisguised hostility, dogs the foreigner's footsteps. Actual outrages are rare, though outside the Anting-man, the very gate which was surrendered to the British forces in 1860, a party of Englishmen riding

back to the city were greeted with a volley of stones by Chinese soldiers whilst I was in Peking. But insulting remarks and foul-mouthed curses are common enough, and even when riding with the British Minister and his usual escort of Chinese outriders, it was occasionally advisable to put on pace in order to avoid the unpleasant attentions of a noisy mob. In its least offensive temper, a sovereign contempt for the "outer barbarian" underlies the boisterous humour of a Peking crowd.

To pass out of the turmoil of the Peking streets into the trim compounds of one of the European legations or of the few foreign residences in Peking, is to enter all at once into an oasis of sweetness and repose. Of these the most spacious and the handsomest is unquestionably the British Legation, once the palace of a Chinese prince, and still preserving with the added comfort and orderliness of European taste, the picturesque originality of Chinese architecture. The familiar redcoats of British marines drilling on the lawn lent perhaps an extra touch of homeliness to the well-kept grounds. For in view of possible troubles, most of the foreign legations were provided last winter with a special guard drawn from the fleets in the Gulf of Tchih-li. They have since been for the greater part withdrawn, but, it need scarcely be said, *not*, as the *Peking Gazette* with its usual candour announced, because the Chinese Government, which had tolerated their presence during the war, had, upon the re-establish-



British Marines detached to guard H.M. Legation at Peking drilling inside the Compound. [*To face p.* 42.

ment of peace, ordered their withdrawal. Nor can I forego the opportunity of placing it on record that of all the foreign detachments sent up to Peking none gave a better example of European discipline and trustworthiness than our own marines, and none left more friends and hearty well-wishers behind them when they departed. As if to heighten the contrast, the Chinese authorities had also assigned to each legation a special guard of their own braves who were encamped along Legation Street; decrepit old men and half-grown youths, the refuse apparently of the coolies of the town, in ragged uniforms and armed with every description of eccentric weapons, who lay for the greater part of the day sweltering in the fœtid atmosphere of their tents or lounged about the footpath lazily scowling at the "foreign devils" whom they were supposed to protect, their evil faces suggesting a new rendering of "*Quis custodiet ipsos custodes.*"

At night the gates, not only of the outer walls, but of those which divide off the different quarters of the city, are shut, and though it is estimated that as much money as is spent on the lighting of London goes into the pockets of the Peking Mandarins, a few flickering oil-lamps only serve to make the darkness visible. It is thoroughly typical of China that the only telegraph station in Peking is situated, not in the Tartar city, where the Palace, the foreign Legations, the chief Government offices, and the residences of the principal officials are to be found, but

in the outer Chinese city ; and, as the gates between the two cities are closed at night, Peking is practically cut off from all communication with the rest of the world between sunset and sunrise.

I have attempted a slight sketch of the more superficial features which in the eyes even of a casual observer must differentiate the capital of the Chinese Empire from that of any other State, Western or Eastern, because they reflect, however imperfectly, the still more profound differences which divide off China from all other nations of the earth. A knowledge of the surroundings amidst which European diplomacy has to carry on its daily work at Peking, may afford a partial clue to the difficulties, unparalleled elsewhere, with which it has to contend as the interpreter of an unknown world of thought and of ideas even more foreign to the Chinese mind than any of the outward manifestations of modern civilisation.

CHINESE GUARDS OUTSIDE H.M. LEGATION AT PEKING.

[*To face p.* 44

CHAPTER V

THE TSUNGLI-YAMÊN

THE representatives of the foreign Powers in Peking have no sort of personal intercourse with the Palace. After a long and stubborn struggle they have, it is true, established their formal right of audience on terms which are not yet perhaps altogether satisfactory, but which are on the whole compatible with their proper sense of dignity. The heads of missions, accompanied by their staffs, proceed in state to one of the halls which form part of the Imperial Palace, and, either singly or collectively, as the case may be, they are ceremoniously ushered by appointed dignitaries into the presence of the Emperor, who sits almost impassive on a raised daïs, and barely acknowledges their profound obeisances with a slight inclination of the head. The Minister having read his speech in his own tongue, translations are read first in Chinese and then in Manchu, the language of the reigning dynasty, and the original is laid on a low table in front of the Emperor by the Secretary of State on duty, who, having

received it from the Minister's hands, carries it after repeated prostrations up the steps of the Throne. Until quite lately the Chinese official in question always ascended for the purpose the side steps to the right or left of the Throne, but M. Hayashi, the Japanese Minister sent to Peking on the re-establishment of diplomatic relations after the war, insisted successfully that his credentials should be carried up the steps actually facing the Son of Heaven—a departure from former precedents to which the peculiar circumstances of the case lent a special significance. The Emperor usually whispers a few words in the ear of the Secretary of State kneeling beside him, who in turn conveys their purport, which is a merely commonplace expression of courtesy and satisfaction, to the foreign Minister. The audience is then over, for the public audience is not followed, as in other countries, and even in Eastern courts, by a private audience in which more confidential communications may pass between the sovereign and the foreign representative accredited to him. The audiences at Peking are therefore mere formal ceremonies, and their chief value at present is that they convey a public recognition by the Son of Heaven of the right of European Powers to treat with China on a footing of complete equality. Except on these occasions no foreigner ever sets foot within the precincts of the Forbidden City.

The regular channel for communication between the foreign Legations in Peking and the Chinese

official world is the Tsungli-Yamên, or 'Board of Foreign Relations, which was first constituted in 1861 after the Anglo-French expedition had wrung out of the Chinese a reluctant assent to the establishment of foreign legations within the walls of the capital. Prince Kung, a younger brother of Hsien Feng, the then reigning Emperor, Kwei Liang, a Senior Grand Secretary, and Wen-Hsiang, a departmental Vice-President, were appointed to be the members of the new Board, and the selection of three such influential personages was regarded at the time as implying a final abandonment of the policy of mere haughty contempt which the Middle Kingdom had vainly striven to maintain towards the "outer barbarians." If this expectation was never really fulfilled, the composition of the Tsung-li-Yamên has at any rate always indicated some recognition of the importance which foreign relations were henceforth to assume in the affairs of the Empire. By successive additions the number of its members was gradually raised to ten, which has now come to be regarded as the normal strength of the Board, and it has been always closely identified with the Chun-Chi-Ch'u or Privy Council (sometimes also called the Grand Council), the highest department of State, which transacts its business daily, or rather nightly, between the hours of 3 and 5 A.M. in the presence of the Emperor himself. Most of the members of the Privy Council whose number, formerly five, was increased to seven during the

Japanese war, are also members of the Tsungli-Yamên, which derives most of its influence and prestige from this close connection with the Chung-Chi-Ch'u. Half-a-dozen members or more attend every day to transact business, and when an interview takes place with a foreign Minister scarcely ever less than three are present, not to speak of secretaries, pipe-bearers, and servants who hand round sweetmeats and cups of tea. The difficulty of dealing with such an unwieldy body is obvious. The chief anxiety of every member is to shirk responsibility, and, though all ready enough to talk, none will, if possible, take action.

Wen Hsiang, probably the ablest man who ever held a seat in the Tsungli-Yamên, died in 1876, and Prince Kung was left as the only original member of the Board, of which he continued president until he was disgraced in 1884 in connection with the Franco-Chinese conflict. Superseded by Prince Ching, a collateral member of the Imperial family, he lived for the following ten years in secluded retirement, devoting his enforced leisure to the building and repairing of Buddhist temples, and apparently taking no part or interest in public affairs. When the war with Japan broke out last year he was suddenly recalled and restored to his former posts of president both of the Tsungli-Yamên and of the Privy Council. But he was then sixty-three years of age, and old for his years. He was no longer the man of mental vigour and bold resolve

who had conducted the peace negotiations with Lord Elgin and had overthrown the Board of Regency instituted on the death of his brother, the Emperor Hsien Feng. His health also had grown feeble, and his visits to the Yamên are rare.

Prince Ching, who since Prince Kung's return to office has to content himself with the second place, is a courtly Manchu gentleman slightly over fifty years of age, but even judged by the Chinese standard, which must alone be applied to Chinese statesmen, he has never shown any conspicuous qualifications other than those of birth for the high positions which he has held. In consequence, it is believed, of considerable friction between him and Prince Kung he has once or twice during the last year applied to be relieved of his responsibilities, but has always met with a decided refusal from the Emperor. His duties have, however, evidently ceased to be palatable, and he has largely dropped his interest in them.

Of the other members composing the Tsungli-Yamên whilst I was at Peking only three call for any special notice, and of two out of these three the telegraph has recently announced the retirement. Sun Yü Wen had been for ten years in the Yamên and was generally regarded as perhaps the strongest and most businesslike of all its members. He has in a large degree that instinctive intelligence of foreign affairs which must in China supply the place of educated knowledge, and he is one of the few

Chinese officials who have any understanding for questions of commercial policy. Few important negotiations have taken place during his tenure of office in which he has not played a leading part, and generally in a spirit of prudence and conciliatory moderation. It is by no means the least among his titles to distinction in the eyes of his fellow countrymen that he is the father-in-law of the present Duke Confucius, his daughter having married the eldest lineal descendant of the Master. Hsü-Yung-I, who has now accompanied him into retirement, is a man of a very different type. An ultra-Conservative Chinaman, he seemed to hold a permanent brief on the reactionary side. Narrow-minded and intolerant, his attitude was that of a pettifogging attorney, always on the look-out for a formal flaw in his adversary's argument, and, rather than renounce the satisfaction of a temporary and personal success, he would recklessly sacrifice the larger interest at stake. Having constant access in the twofold capacity of Privy Councillor and Imperial Tutor to the person of the Emperor, he had acquired in an exceptional degree the confidence of the Son of Heaven. A master of all the intricacies and formalism of Chinese official style, he has probably drafted more Imperial decrees than any other living Chinaman, and to his ready pen quite as much as to his restless energy he owed the formidable influence which he until recently exercised over the Emperor's mind. To his inspiration was generally ascribed the young Sovereign's

incipient revolt against the imperious tutelage of the Empress-Regent. He was the soul of the war party, and he would have wrecked his country rather than yield to the Japanese demands. Although in his seventieth year, he looks scarcely more than fifty, and his muscular, plebeian frame, no less than a certain uncouth ruggedness of manner, distinguishes him from his more courtly and weakly colleagues. Another and greater distinction he also possesses. Like Chang Chih Tung, whom he resembles, however, morally rather than intellectually, he is believed to be above all pecuniary temptation. In fact he represents the only type of patriotism to which a Chinaman seems capable of attaining—a patriotism which unfortunately manifests itself only in an unreasoning devotion to forms and formulæ. Change of any kind comes to be looked upon as in itself wrong, and the past is worshipped at the expense of the present and the future, merely because it is the past. To this form of patriotism one cannot at least deny the merit of sincerity, since even Chinamen whose lives show no trace of any higher ideal than those of their fellows are prepared occasionally to die for it. When the present Emperor, who was placed on the throne as an infant by a Palace *coup de main*, attained his majority a few years ago and went for the first time to perform before the ancestral tablets sacrificial rites for the proper discharge of which he lacks, according to the most rigid orthodoxy, the indispensable qualification

of direct lineal descent, a high Mandarin emphasised his protest against this unlawful act of usurpation by committing suicide before the eyes of the Sovereign after having duly handed to him on bended knees an elaborate treatise on the subject.

Another and entirely different school of politicians, approximating rather to the Li Hung Chang type, is represented in the Tsungli-Yamên by Chang Yin Huan, a Cantonese and a *protégé* of the Viceroy of Chi-li, who has risen like him from the lowest rung of the official ladder. As Chinese Minister to the United States, Spain, and Peru, he has, however, enjoyed wider opportunities than his patron of familiarising himself with Western ideas, for which he, at least in private, professes the most liberal admiration. But the position to which he has risen is generally ascribed not so much to the experience he has acquired abroad as to his intimate acquaintance with native methods of smoothing the path to official promotion. Of an easy-going and self-indulgent temperament, he is not likely to jeopardise his chances in a vain attempt to undertake a task which the late Marquis Tseng, on his return from Europe, soon found it hopeless to persevere in. Pleasant manners, an intelligent enjoyment of European social life, undoubted natural abilities, and an article of which he assumed the authorship in Blackwood on "The Awakening of China," secured to the former Chinese Minister in London the reputation of an earnest and enlightened reformer. With the

dramatic instinct of his nation, the Marquis Tseng played to the European gallery with conspicuous success, and, consciously or unconsciously, threw a prodigious amount of dust in its eyes. When he was recalled to China and given a seat in the Tsungli Yamên, our optimism knew no bounds. But the Marquis Tseng of the Chinese Legation in London, and the Marquis Tseng of the Tsungli-Yamên in Peking, were soon shown to be two very different people. It would be hard to say how far personal inclination and how far superior pressure operated towards the change, but it certainly presented all the outward features of as pretty a case of sociological "reversion" as could well be conceived.

It is, indeed, folly to expect that in such an atmosphere as that of the Tsungli-Yamên European experience can form a title to anything but hatred and suspicion. Of the ten members of that Board Chang-Yin-Hsian has alone ever been outside of China. Yung-Lu, the Governor of the city of Peking, who acted for some time as Tartar General at Hsian-Fu, is the only other member who has served during his official career outside of the walls of Peking. That is to say that the vast majority of the officials entrusted with the foreign relations of China have spent their lives in a city and amidst surroundings for which no sort of parallel could be found in Europe outside, perhaps, of the darkest period of the Middle Ages, and even then the analogy would be in many respects lame and inadequate.

I was granted during my stay at Peking the favour of an interview with the Tsungli-Yamên—a favour, I believe, never before granted to a foreigner enjoying no official position—and during a couple of hours I had the honour of discussing with their Excellencies some of the burning questions of the day. The strongest impression which I carried away with me was that the whole world of thought in which the Western mind is trained and lives seems to be as alien to the Chinese mind as the language which we speak. The wisdom of their sages, which is the Alpha and Omega of their vaunted education, consists of unexceptionable aphorisms, which have about as much influence on their actions as the excellent commonplaces which in the days of our youth we have all copied out to improve our caligraphy had in moulding our own characters. History, geography, the achievements of modern science, the lessons of political economy, the conditions which govern the policy of Western States, the influence of public opinion, of the press, of parliamentary institutions, are words which convey no real meaning to their ears. It is useless to appeal to feelings of honour or of patriotism, which, if they exist at all, take an entirely different and to us inexplicable shape, and it is equally vain to quote the teachings of political history, for outside of their own immediate experience it is a sealed book to them. Their

Excellencies talk glibly of the balance of power in Europe, but Austria still seems to be hopelessly mixed up in their minds with Holland, and of the two the latter apparently still occupies as a colonial Power by far the higher position. An incidental reference to Tunis elicited the fact that they had never realised the existence of such a State, or of an African Empire of France, though they had acquired some information with regard to the position of Egypt, presumably from French sources. Nor is it easy to treat questions even of material development with ministers, one of whom deliberately maintained that China's immunity from railways had been the salvation of Peking during the recent war.

Outside of its official relations with the foreign representatives, the Chinese world knows nothing, and wants to know nothing, of the Western world. The members of the Tsungli-Yamên themselves have scarcely any intercourse with the foreign representatives at Peking beyond making a few formal calls on stated occasions and offering them an annual banquet at their official residence. One or two may sometimes accept invitations to a foreign legation, but no mandarin can frequent a foreigner's house without exposing himself to suspicion and obloquy. Even the unsuccessful *literati*, who are driven to accept employment as writers in the European Legations, will not compromise themselves by showing any open

recognition of their employers when they meet them in a public thoroughfare. The whole atmosphere of Peking is saturated with hatred and contempt of the foreigner, and the street urchins, who shout opprobrious epithets or fling mud and stones from a safe distance at him as he passes, merely have the youthful courage of opinions which their elders only venture to betray by a sullen scowl or a muttered imprecation. The lower classes, again, merely follow the example set by the upper classes, and as I told their Excellencies of the Yamên, in allusion to a recent experience of my own, so long as powerful officials are afraid to invite a foreigner inside their house without cautioning him not to come in a chair or on horseback, but in a closed Peking cart, lest public curiosity should be aroused, and his host "lose face" with his neighbours, there can never be that freedom and friendliness of intercourse out of which in other countries arises between foreigners and natives, with a better knowledge of each other, a greater mutual consideration for each other's feelings and interests. "You complain that we misunderstand and misrepresent you because we do not really know you, but you give us no opportunity of knowing you, and you do not disguise your reluctance to know us. You, the rulers of the country, hold ostentatiously aloof from us, and those whom you rule naturally take their cue from your behaviour. Every nation, like

every individual, must have something to learn from its neighbours; but China is like a man who should imagine that he could learn what all his fellow creatures were like by the continuous contemplation and adoration of his own face in the mirror." Their Excellencies bowed polite assent, but Hsü-Yung-I looked as if my face at least was one of which he had seen quite enough.

It is not, indeed, only the official representatives of the European Powers whom the ruling classes insist on keeping at arm's length. They are not much more accessible to the Europeans in their own employ. If there is one man whose services ought to entitle him to the complete confidence of the Chinese Government it is certainly Sir Robert Hart, the Inspector-General of the Imperial Maritime Customs. He has created the only sound administration in China and given her the only revenue upon which any credit can be opened to her. Take away the foreign Customs revenue and where could China hope to raise to-day the ransom exacted by her conqueror? Yet in spite of this signal claim upon her gratitude, in spite of the innumerable proofs of warm devotion to her interests which he has given to her, it is impossible to pretend that he has ever been granted the position to which he, if any one, is entitled as a proved friend and trusted adviser. And what is unfortunately true of Sir Robert Hart was or is equally true of Captain Lang and of every other

foreigner in the Chinese service who has relied only on his own disinterested loyalty for the exercise of a healthy influence.

Li Hung Chang is, according to recent reports, to stay for the present as Grand Secretary at Peking, and conduct in concert with the Tsungli-Yamên the negotiations for the new commercial convention with Japan under Article VI. of the Treaty of Shimonoseki. Whether this must be looked upon as an indication of his ultimate restoration to favour, or whether his final disgrace has been postponed until he has exhausted the full odium of the treaty for which he, according to Chinese notions, remains personally responsible, the event must be left to show. The fact that the leader of the reactionary party, Hsü-Yung-I, is described as having been dismissed from office, whereas Sun Yü Wen has been allowed to resign at his own repeated request, would look more favourable for the opportunist school represented by the Viceroy of Chi-li if the two new members of the Yamên appointed to replace them, Weng Tsung Ho, Tutor to the present Emperor, and Li Hung Tso, Tutor to the late Emperor, did not belong to the most reactionary clique of Palace wire-pullers. Still more doubtful is it whether Li Hung Chang's influence, if it prevails, will be exercised, and, if exercised, will be sufficient to introduce into the official circles of the capital the more liberal spirit towards foreigners which he

has at least affected to display in his own Yamên at Tient-sin. For the present his authority appears to be openly flouted by the privileged advisers of the Emperor, and the chief object of the Court in summoning him to Peking, seems to have been to subject him at greater leisure and less risk to the familiar process of "squeezing," which every great Mandarin has to undergo after he has sufficiently enriched himself in the provinces—a process which, in the case of Li Hung Chang, cannot fail, if exhaustive, to be unusually lucrative.

Cramped and confined within such narrow limits of official intercourse as I have just described, the foreign representatives in Peking are almost entirely cut off from those opportunities of social intercourse, which in other countries help to extend their influence and widen their information. Nor is there any organised expression of public opinion to which they can look for guidance. Not a single newspaper is published in the capital except the *Peking Gazette*, an official record of Imperial decrees and Government enactments, supplemented by a more or less fabulous chronicle of events. Between its lines may doubtless be read the secrets of the hidden life of China. But, as has been pregnantly suggested, is there not some cause for apprehension that by the time the Western student of Chinese life has assimilated himself to its conditions sufficiently to penetrate its secrets, he will have in some measure lost the power of conveying his knowledge

in a form more intelligible to the Western world than the original logogriphs of the *Peking Gazette?* Nothing is more strange in China than the intellectual fascination which so peculiar an environment often seems to exercise over the European mind. When during the course of a protracted residence, the European has thoroughly familiarised himself with the language and customs and habits of thought of the people, he appears in many cases to have undergone a certain brain transformation which leads him unconsciously to lend a Chinese value to statements and expressions, apparently used in their European sense.

The great brick wall which China built up in the Middle Ages against the invading hordes of Central Asia is gradually crumbling away, and has long since failed to serve its purpose, but the solid wall of intellectual petrifaction and social isolation within which Chinese statesmanship still seeks to defy the pressure of mere diplomacy remains as yet unbroken. I have dwelt at some length on this point because, in the absolute imperviousness of the Chinese mind to Western modes of thought must be sought the causes of the failure of a policy based, as ours has been for the last twenty years, on a vain attempt to gain the confidence and sympathy of China in a common interest of peaceful progress. So long as no serious effort was required of her she was astute enough to humour our illusions and to listen with apparent

deference to our indulgent homilies. But the language of friendly persuasion could have no real or permanent hold upon her. It is no reflection upon the ability of our diplomacy that French and Russian diplomacy was able to achieve a temporary success at Peking, for, though never actually overstepping the limits of diplomatic procedure, France and Russia gave it clearly to be understood that their action would not necessarily be circumscribed within those limits. In the execution of the bold and resolute policy agreed upon by the Cabinets of Paris and St. Petersburg, M. Gérard and Count Cassini were in a position to clinch every other argument with that of physical force, and until Chinamen have ceased to be Chinese, that is the only argument of which they will fully understand the value from European lips. The Chinese mind and the Western mind revolve in different spheres which have only one point of real contact, viz., physical force. From that vantage ground only can China be dominated. This principle, which had been too long discarded in England, and not alone under Lord Rosebery's Administration, has been once more, to some extent, applied to our relations with China since Lord Salisbury's return to power, and thus, at least to the extent within which it has been applied, Sir Nicholas O'Conor has already, before leaving Peking, had the satisfaction of regaining the ground which he had never ceased to contest even against overwhelming odds.

CHAPTER VI

THE FOREIGN POWERS AT PEKING

A GREAT war not unfrequently affects the interests and relations of neutral onlookers quite as profoundly as those of the belligerents themselves; but seldom has so sudden and dramatic an illustration of the fact been witnessed as in the changes immediately wrought by the war between China and Japan on the relative position of the foreign Powers at Peking. It is obvious that the mere collapse of China, however momentous in itself, cannot be looked upon as the sole cause of so rapid a displacement of political power as that which has recently taken place there to our detriment. It has, however, disclosed the real value of a hitherto unknown quantity, and shown it to be far inferior to that which we had, on insufficient grounds, chosen to assign to it. Before the war the power put forth by Great Britain in the Far East *plus* the unknown quantity representing the latent resources of a friendly China was supposed to be superior, or at least equal, to the power put forth

by our rivals *minus* the same unknown quantity. Now the value of x is discovered, and we find it, on the one hand, far inferior to what we had assumed, and, on the other hand, transferred, such as it is, to the other side of the equation. Nor is this all. The rise of Japan as a considerable military and naval Power introduces a new factor, or one at least which we had been disposed until recently to ignore, and one cannot yet feel quite sure on which side to place it. To this extent the war has really disturbed the old equation; but in other respects the main factors still remain the same, only the war has placed them more conspicuously before our eyes, and in a truer, if less flattering, light. The great competing interests, political and commercial, remain to-day as they were yesterday—those of England, France, Russia, and, in a lesser degree, Germany; but to-day we are compelled to realise more forcibly how fierce the competition has grown.

The interests of Russia are mainly and professedly political. For the last two centuries her eyes have been turned towards the East, though until the Crimean war, and perhaps even until the last Russo-Turkish war, they never swept far beyond the adjoining regions of South-Eastern Europe and Western Asia. In that direction the resolute attitude of England and the issue of the Berlin Congress curtailed the facilities for further expansion which she had hoped to create by the treaty of San Stefano. The subsequent revolt of Bulgaria,

the shiftiness of Servia, and the estrangement of Roumania, together with the alliance of Austria and Germany, opposed fresh barriers to any advance upon Constantinople. But, if these events made the immediate realisation of her traditional policy in the shape originally contemplated impracticable, they only incited her to find some new outlet for the eastern trend of her energies. In the same measure in which Russian activity in the Balkan Peninsula and Asia Minor diminished during the eighties, it increased in Central Asia. Here again, however, in spite of such successes as the annexation of Merv and of the chief central Asian Khanates, the expansion of Russia found itself checked by the close alliance which had sprung up between the Ameer of Afghanistan and the Indian Government, and still more by the completion of our new line of defence along the North-Western frontier of India. Headed off once more by unexpected forces, Russia's *Drang nach Osten* was again merely deflected into new channels. She seems at last in the nineties to have found in the Far East the line of least resistance, which she had so long been looking for. Marching with the south-eastern frontier of her vast Asiatic dominions lies an empire teeming with undeveloped wealth, yet crumbling away with internal dry-rot, a prey in every way ready to her hand.

How far Russia's plans had been formed in expectation of a speedy collapse of China it is difficult

to say, but though perhaps she alone shared with Japan a thorough knowledge of China's military weakness, she would probably have preferred to see its exposure postponed for a few years. Of the magnitude of her plans she had been careful to furnish little indication, beyond such as could be gathered from the energy with which the conversion of Vladivostok into a place of arms of the first rank had been completed and the construction of the Trans-Siberian Railway of late prosecuted. Her diplomacy had never asserted itself with any ostentation at Peking, and, though less yielding and indulgent than our own, it had always displayed a spirit of conciliatory moderation. During the earlier stages of the war, and even up to the signature of the Treaty of Shimonoseki, Russia kept her own counsel, though there is little doubt now that before Li Hung Chang left for the Japanese headquarters to negotiate the terms of peace he had already been taken into her confidence, and that when he agreed to the cession of the Leao-tong peninsula he was aware of her determination to forbid the fulfilment of the contract. So great was the reserve which she maintained that the constant flow of reinforcements going out to strengthen her naval and military forces in the Far East passed comparatively unnoticed. At last with a fleet more powerful, in the opinion of many competent judges, than any ever before concentrated in those waters and with

an army of 80,000 men ready for action on land, she was in a position to speak, and in no uncertain accents. The inherent weakness of China had been proved to demonstration, and her senile decay could no longer be allowed to jeopardise the reversionary interests of Russia. By her intervention Russia openly proclaimed her determination to assume henceforth the guardianship of the Chinese Empire until such time as by the laws of nature, assisted or unassisted, the sick man of the Far East should pass away and his inheritance be formally appropriated. Russia's opportunity had come, and not those alone upon whose assistance she might have naturally counted came forth to improve it for her benefit.

The co-operation of France must be looked upon in present circumstances as available for Russia whenever and wherever the latter chooses to invoke it. But in the Far East it is secured to her not only by considerations of general policy but by a special community of interests. France has gradually annexed considerable territories in the south-eastern extremity of the Asiatic continent, which she has already christened with the significant name of "Empire d'Indo-Chine." If her possessions have hardly yet attained to the dignity of an empire, they hold the germs and the promise of empire. Bordering on the three Chinese provinces of Yun-nan, Kwang-si, and Kwang-tung, and within easy reach of Szu-chuan, they possess in

the two important waterways of the Songka and the Mekong unrivalled facilities for penetrating into the heart of China. Her prestige, dimmed for a while by the blunders which marred the substantial success of the Tongking campaign, had been largely retrieved by the boldness with which she had handled the Siamese question; but at Peking it was still under the shadow of Lang Son. To restore it by a sensational *coup de théâtre* and sweep away the barriers which still hampered her advance from the south, whilst cementing her friendship with Russia by joint action, was an achievement bound to commend itself not only to the judgment of French statesmen, but to the sentiment of the French nation.

That Germany should have joined hands with France and Russia is more difficult to explain. Whether or not she secretly hankers after territorial acquisitions in the Far East, her interests there have been hitherto mainly and avowedly commercial. How these could be served by alienating a good customer like Japan, even if she be a prospective rival, without apparently securing any countervailing advantage in China it is not easy to conceive. If Germany expected to arrest the growing intimacy of France and Russia she must have been promptly undeceived. At Tokio, where Germany had everything to lose by the course upon which she had embarked, all the outward appearances at least of complete

harmony between these strange allies were maintained for a considerable time, if not up to the present date. But at Peking, where Germany, it must be presumed, looked for her reward, scarcely a month had passed before she was politely elbowed out and ignored by her two partners, and the officials of the Tsungli-Yamên were not slow to take the cue thus given to them. No sooner had the intervention of the three Powers established the necessary claim upon the gratitude of China than France and Russia proceeded to monopolise for themselves not only its substantial but its formal manifestations. The French and Russian Ministers suddenly discovered that they had in their pigeonholes official letters of which the war had delayed delivery to the Emperor. On the one hand, there was a letter notifying the accession of the Emperor Nicholas II., and, on the other, one announcing the election of M. Faure as President of the French Republic. With a curious affectation of impossible secrecy an audience was arranged, to which the Russian and French Ministers proceeded in great state. There they received, according to their own account, in terms of unprecedented cordiality, the solemn thanks of the Son of Heaven himself for the great services rendered to him by their respective Governments. This was the first public intimation conveyed to Germany that her company was no longer required or desired. The negotiations with regard to the

Franco-Russian loan were soon to furnish further evidence in the same sense of a still more substantial nature. The association, or, rather, the complete fusion, of French and Russian interests to the exclusion of all others was reflected in the ostentatiously intimate relations of the French and Russian Ministers. M. Gérard and Count Cassini were the Siamese twins of Peking diplomacy. It would be invidious to inquire whose was the ruling mind of the two. The qualities of the one seemed exactly to supply what the other appeared to lack, and the two together formed a whole to whose conspicuous ability one could not as a spectator refuse a tribute of admiration. It would not be either right or just to infer that England and Germany were a whit less adequately represented, but, unfortunately, the political situation precluded that close co-operation between them which might have secured the success at least temporarily denied to their separate and individual efforts.

But, if Germany might well feel aggrieved at the cavalier treatment which she has received at the hands of France and Russia, she has suffered only negatively. Ours has been the positive loss. Whether or not we might temporarily have mitigated Franco-Russian hostility by accepting the part for which Germany volunteered, we have now to reckon with that hostility as a stubborn fact. The first-fruits of the Franco-Russian understanding were the convention, signed at Peking

on June 20, between France and China, by which the latter not only gave away a territory ceded to her by us little more than a year ago on the express condition that she should not transfer it without our consent to any other Power, but actually recognised French claims over a province which forms an integral part of the British Empire.

The districts made over to the French, as Mr. Holt Hallet has recently pointed out, comprise a far larger territory than was at first understood. For besides Muang U-neua and Muang U-tai, which lie in the upper basin of the Nam U, the whole of the principalities of Kiang Hung in the basins of the Nam Him and Nam La are surrendered to the French. In fact more than half of the Burmese Shan State of Kiang Hung which we generously settled scarcely eighteen months ago upon China to hold in trust for ourselves, has been coolly handed over by her to France. Nor is that all. Over and above this gross violation of our Treaty rights, she has entered into a series of engagements granting a privileged position to the French in one of the richest provinces of her Empire. There are few regions in China containing greater mineral wealth than Yunnan. Under the Convention of June 20, Szumao, the most important trade-centre in the south-west of Yunnan, is to be thrown open to French trade in the same way as the Treaty Ports of China are now open to foreign trade generally.

A French Consul is to be allowed to reside there, and telegraphic communication is to be established with the nearest French station; facilities are to be given for the development of French trade on the waterways and government roads which give access to the great tea districts of Puerh and I-pang; reductions in favour of French goods are to be granted in regard to both customs and inland taxation; permission on terms to be subsequently negotiated is to be given for carrying into Chinese territory the French railways already existing, or at present only projected from Annam and Tonking; and last, but not least, it is stipulated that none of the above privileges shall be extended by China to any other foreign country. But even more significant than the concessions wrung out of the feebleness of China was the way in which they were wrung out. England's preponderancy, however much it might be ridiculed as a thing of the past, was too fresh in the memory of the Tsungli-Yamên for the distracted members of that board to face with equanimity the prospect of setting her at defiance. The pressure exerted by the French representative, with his Russian colleague at his back, in order to enforce the immediate signature of the convention in the teeth of England's protest gives the measure of the importance which he at any rate attached to it. In vain the Chinese officials begged for time to at least consider the British Minister's objections.

Their appeals only provoked M. Gérard to use language of a more distinctly minatory character, and the convention was signed by the President of the Tsungli-Yamên practically under moral duress. This convention has not yet, it is true, been ratified by the Emperor of China, and, unless in the meantime some solution can be found compatible with our rights and interests, one must hope that the Chinese Government may still be deterred from irrevocably consummating such an act of international bad faith. But whatever may be its ultimate decision, it cannot altogether undo the effects of its own weakness in conceding, or of M. Gérard's high-handedness in imposing, the discharge, at the expense of others, of whatever obligations of "gratitude" China may have contracted towards France. The same methods moreover were shortly to be called into requisition to elicit a further expression of Chinese "gratitude."

To meet the war indemnity due to Japan, China required financial assistance on an unprecedented scale. France and Russia realised with masterly promptitude that, if they gave that assistance on their own terms, the financial control of China would pass into their hands. The only security which China had to offer was the revenues, derived chiefly from British trade, of an administration created and maintained chiefly by British energy and ability. Although that administration owed its existence and continuance mainly to British influence, we had

never claimed to derive from it any exclusive advantage. It was officially recognised as a Chinese administration, under the title of the Imperial Maritime Customs, its European staff was recruited amongst foreigners of almost every nationality, and every flag trading with China benefited on an equal footing by its services. If the number of British officials exceeded that of other foreigners in its employ, and if the supreme management had been entrusted to an Englishman in the person of the Inspector-General, Sir Robert Hart, this was but a natural recognition of the proportion which British trade in the treaty ports of China bears to that of other countries. The revenues of such an administration were eminently fitted to form the basis of a financial operation in which all the Powers desirous of furnishing China with the means of putting her house in order might have combined. Had France and Russia been really anxious to prove the sincerity of their professed disinterestedness, they would have welcomed the opportunity of placing the independence of China under the guarantee of international finance. But nothing was further from their thoughts. British and German financiers were prepared to join hands with French and Russian, and to provide jointly with them in one comprehensive operation the whole amount which China requires for the fulfilment of her obligations towards Japan. France and Russia would not even allow the Chinese Government to take any such proposals into consideration. They

had not only settled to their own satisfaction the terms upon which an exclusively Franco-Russian loan was to be made to China, but, even before having secured the formal assent of the Chinese Government, they had actually published the conditions and announced the issue. The Tsungli-Yamên vainly protested that it had only accepted in principle the proffered assistance of Russia, and had never intended to bind itself unconditionally. Even Chinese statesmen could not help feeling that there was something ominously unprecedented in a loan forced down the borrower's throat at the point, as it were, of the bayonet. But they had awakened too late to the gravity of the situation. The only concession which the Chinese struggled hard to extract from their masterful protectors was the substitution of the guarantee of the French bankers for that of the Russian Government on the face of the loan. That the guarantee of the Russian Government would still stand behind that of the French bankers was, of course, a secret to no one, but the Son of Heaven's dignity would at least not be wounded by the Tsar's signature running across his own seal of State. But even to that extent China was not allowed to save her "face." The French and Russian Ministers conveyed a significant hint that the Leao-tong peninsula had not yet been restored by the Japanese. A sharp turn of the thumbscrew and the thing was done.

Whether or not the Franco-Russian loan was

accompanied, like the Franco-Chinese convention, by secret provisions granting exclusive privileges to the contracting parties, the financial leverage which France and Russia thereby acquire was in itself an adequate reward of the energy they put forth to secure it. The reported creation of a Franco-Russian bank at Shanghai would seem, however, to confirm the belief prevalent at the time in Peking, that the unpublished provisions of this financial arrangement would prove quite as edifying as those already given to publicity. What will be the ultimate success of this strange attempt to assume a financial tutelage over China must depend chiefly upon the ability of France and Russia to follow up the advantage which they have gained at the outset. From the enthusiasm with which the first loan appeared to be taken up in Paris there seemed little reason to doubt that they need be guided in future dealings of the same nature only by considerations of political expediency. Holding henceforth the power of the purse at Peking with the power of the sword behind it, Franco-Russian diplomacy would have found itself armed with a double-edged weapon against which all the resources of diplomacy would have availed but little. That such were the hopes at one time entertained may be inferred from the stipulations by which China not only debarred herself from raising any fresh loan for a period of six months, but promised to give France and Russia an option whenever the time came for her to negotiate another loan. In the

meantime, however, events which governments cannot always control, have disturbed these calculations. Political clouds in the Near East and a senseless speculation in gold mines have once more produced one of those chronic crises to which the Parisian money market is so often subject. With the best will in the world the French financiers cannot apparently for the present come forward again to the assistance of their Russian friends, and Russia is equally unable without their assistance to come forward again at Peking in the unwonted character of a lender. In these circumstances the field must necessarily be left open to the English and German capitalists whose overtures the Tsungli-Yamên was only a few months ago so peremptorily compelled to reject. If they are not disposed now to offer anything like the same terms which they would have accepted in the summer before two such formidable powers as France and Russia had taken rank before them as creditors of China, the Chinese Government will only have to thank itself for the inevitable result of such hybrid politico-financial engagements as those into which it allowed itself to be coerced in spite of all friendly warnings. Were it possessed of the real instincts of statesmanship, it would not grudge the price it may have to pay for an even partial recovery of the financial independence which it had so seriously compromised, but of course if it possessed any such instincts it would not originally have signed its independence away with such lightheartedness.

For our own part we may congratulate our good fortune rather than our merits if in this matter unforeseen circumstances have compelled Russia and France to throw up the game, at the very moment when they had succeeded in dealing most of the trumps into their own hands.

CHAPTER VII

THE GENESIS OF MISSIONARY OUTRAGES IN CHINA

WHAT is commonly called the missionary question in China adds, it must be admitted, no slight burden to the responsibilities and difficulties of foreign and especially of British diplomacy at Peking. No question is perhaps enveloped in such a cloud of prejudice. On the one hand there are many people both at home and in China who, having no sympathy with missionary work or being thoroughly convinced of its uselessness in existing circumstances, look upon the missionaries as busy-bodies and intruders, who have only themselves to thank when their misplaced zeal brings them to grief. On the other hand the missionaries themselves and their friends at home are so profoundly impressed with the sacredness of their task that in its performance they are absolutely deaf to any considerations of human prudence or political caution until in the throes of some ghastly life and death struggle, the natural instinct of self-preservation extorts from them a passionate appeal to their fellow citizens for assistance and protection. But to discuss the value or expediency

of missionary labour in China is neither practicable nor useful. On a question which is approached by different people from such opposite points of view, the conclusions arrived at cannot fail, to be conflicting. Those who look at the preaching of the Gospel to all nations of the earth as a Divine command which must be obeyed at all costs cannot be expected to acquiesce in the judgment of those who would measure the value of spiritual labours by material results. Two points alone need be borne in mind. First of all, foreign missionaries, whatever we may think of them, are just as much entitled to protection in the lawful pursuit of their calling under the treaties to which China has subscribed as the foreign merchant or the foreign official. Secondly, even if, judged by a mundane standard, its material results have not been proportionate to the amount of blood and treasure expended, missionary work in China is not only a proselytizing but also a humanising agency, and every missionary establishment is a centre from which civilising influences radiate over the whole area of its operations.

Herein lies to a great extent the secret of the hostility displayed, especially amongst the official classes in China, towards the missionaries. The influence of Western civilisation, in whatever shape it manifests itself, is an abomination in the eyes of the rulers of China, whose days would be counted were it ever to permeate the masses. The hatred directed against the missionaries is only a peculiarly

virulent form of the hatred directed against Europeans generally, and it is easy to understand why it should be a peculiarly virulent one. Missionary work is practically the only agency through which the influence of Western civilisation can at present reach the masses. The European merchant is scarcely brought into contact with any other than the trading classes, and his influence is at any rate localised within the immediate vicinity of the treaty ports where he resides. That of foreign officials is mainly restricted within a similar area and confined to the Chinese officials with whom he has to deal. The missionary alone goes out into the byways as well as the highways, and, whether he resides in a treaty port or in some remote province, strives to live with and among and for the people. The life which he lives, whether it be the ascetic life of the Roman Catholic missionary, or the family life of a Protestant missionary with wife and children, is in itself a standing reproach to the life of gross self-indulgence led by the average Mandarin. But in the eyes of the latter it becomes a public scandal when, in glaring contrast to every vice of native rule, the foreign missionary in his daily dealings with the people of his district conveys a continuous object-lesson of justice and kindliness, of unselfishness and integrity.

It is this aspect of missionary work which goads the official Chinaman into fury, and incites him to traduce the character of the missionaries by those foul calumnies which invariably precede every out-

break of so-called popular feeling. That the feeling which finds vent in anti-missionary riots and outrages is not really popular in its origin is patent from the fact that in the rural districts, where the influence of the official classes is relatively small, scarcely a trace of it is ever seen. It is mainly confined to the town and cities, where the mob is under the immediate control of the Mandarins. There they have "the stupid people," as with almost naïve arrogance they openly call the lower classes whom they rule, in the hollow of their hands. No less sickening than monotonous is the uniformity of the methods employed by them to engineer an outbreak. The hold which the missionaries may have acquired on the respect of even the dregs of an urban population by the blamelessness of their lives must first be weakened by spreading vile rumours of unspeakable vices veiled under the appearances of virtue. The Roman Catholic convent and the family hearth of the Protestant missionary are converted by the foul imagination of their traducers into dens of abominable vice, and unfortunately, in the congenial atmosphere through which they circulate, such tales find only too ready credence. Where imposture and hypocrisy reign supreme amongst the highest of the land, what inherent improbability can there be for the average Chinaman in stories which merely represent the foreigner as an impostor and a hypocrite like the rest? When once the personal confidence

which the foreigner may have succeeded in inspiring has been sapped, it is an easy task to inflame against him the passions of the mob by a fresh series of calumnies purporting to disclose the real objects of his mysterious presence in a foreign land. That he should have left his far-off country only to bear into a strange land a message of peace and goodwill amongst men is an idea so alien to the Chinese mind that it can never wholly grasp it. It is naturally prone to suspicion, and what suspicion more natural than that, behind all the appearances of a harmless craze, there should lurk a sinister design? The medical services which so many missionaries render impartially to the highest and the humblest, in a country where no serious effort is made to cope with disease, might be expected to establish some claim on public confidence and gratitude, but, as a matter of fact, there is no branch of missionary activity which is so liable to malevolent misconstruction. Medicine in China is still largely looked upon as a black art akin to sorcery, and, when one remembers of what loathsome ingredients the healing drugs of the Chinese medicine man are often made up, one need not wonder at the readiness with which the ignorant masses are made to believe that remedies so efficacious as those administered by the "foreign devil" must be compounded of unutterably fiendish substances. That cans of preserved milk are the boiled down brains of Chinese children, that the eyes and other

parts of the human body are the most potent substances employed in the European pharmacopœia, presents nothing incredible or even improbable to the ordinary Chinaman; for crimes of this nature are sufficiently common amongst his own fellow countrymen to be duly mentioned in the penal code which provides special forms of punishment for "murder committed in order to obtain drugs from the human body." When therefore placards, issued with the explicit or implicit sanction of the local Yamên, declare that a foreigner has actually been caught red-handed in his barbarous laboratory; when, as was the case the other day in Szu-chuan, an official message is sent by the provincial authority over the Government telegraph announcing that living proofs of these horrible practices have been produced in open Court, can one be surprised at the results? Whilst a maddened populace wreaks a brutal vengeance in atonement of its imaginary wrongs, the Mandarin either personally supervises, or is conveniently blind to, the scenes of arson, pillage, and bloodshed which he or his superiors have prompted. It is only in a few exceptional cases, chiefly amongst subordinate officials, that the instincts of common humanity assert themselves and a tardy effort is made to provide the hunted victims with a temporary refuge in the Yamên, or to secure their retreat to some neighbouring city where the responsibility for their ultimate fate willl rest upon more robust shoulders.

Calumnies of this particular kind have preceded and produced every serious outbreak from the Tien-tsin massacre in 1870 to the most recent outrages. They clearly appeal, in the opinion of those who spread them, to a more responsive chord than any other charge which can possibly be brought against the missionary. Religious fanaticism plays only a subordinate and accessory part in them. The Mandarin is himself too much of a sceptic, the ordinary Chinaman too eclectic in his religious practices, for the mere question of creed to produce such violent explosions. People who combine a platonic adhesion to the teachings of Confucius with the practice of Buddhist or Taoist forms of worship, and, indeed, often with that of both forms impartially, cannot be charged with religious exclusivism. "Worship the gods as if they were present" is an inscription constantly recurring over the gates of Chinese temples, and in amplification of this text, the author of "Chinese Characteristics" quotes two sayings current amongst the masses :—

> "Worship the gods as if they came,
> And if you don't it's all the same."
>
> "Worship the gods as if they were there,
> But if you worship not the gods, don't care."

Under one of the greatest of her rulers Christianity obtained open and almost official recognition in China. Two centuries ago Jesuit

missionaries were the favourite and most trusted advisers of the Emperor Kiang Hsi, and, had the Vatican not been induced by their rivals to condemn the conciliatory spirit in which they sought to temper the abruptness of a great religious transition, China might have been gradually and peacefully opened up to the influences of Christian civilisation. One of the most interesting sights in Peking is the ancient graveyard where these early pioneers of Christianity elected to be laid to rest in tombs of an orthodox Chinese type, surrounded by the sacrificial emblems connected with the loftiest of Chinese rites—viz., that of ancestral worship. So wide and deep was the prestige of their great names that up to the present day pilgrims still occasionally travel from remote provinces of the empire to burn incense and offer up sacrifices on the funereal altar at their graves. Even now it cannot be said that Christianity as a creed is persecuted in China. Native Christians are not, in fact, excluded *qua* Christians from official appointments, and, if they hold none of the higher posts, it is partly because they are recruited mainly amongst the less influential classes, and partly because they disqualify themselves for posts which, as most of the higher ones do, involve participation in religious ceremonies incompatible with the creed they profess.

Alleged insults to some popular local deity, and more often still the imputation of abomin-

able practices in connection with their own rites, undoubtedly form part of the systematic vilification by which popular feeling is manufactured against the missionaries; but fanaticism alone is not sufficiently real or powerful to drive the masses into revolt against those whom in their cooler moments they will themselves acknowledge to be their best friends. How is it, then, it may be asked, that the victims of these outbreaks seem to be invariably missionaries, whilst the merchant is left unmolested and the European traveller can penetrate as a rule unmolested into the most distant provinces of the Empire? The answer is, I think, obvious. These outbreaks are, in the first place, specially directed against the missionaries for the reasons above set forth; and in the second place, the more remote districts in which many of the missionaries reside afford exceptional facilities for preparing them without attracting the notice of any inconveniently vigilant foreign official, and of carrying them out without running too great a risk of direct and immediate reprisals from any foreign Power. The murder of Mr. Margary in Yun-nan, however, showed that, where the presence of an official foreigner was considered undesirable, similar and even simpler means could be as readily and as successfully adopted to remove him as if he were only a mere missionary.

Nor can it be denied that the singular forbear-

ance shown by foreign Powers, and especially, perhaps, by England, in connection with these periodical outrages, has in itself contributed to their recurrence. For the last five-and-twenty years their history has repeated itself almost year by year. Riots have taken place, valuable property has been destroyed, and, even where no lives have been actually sacrificed, violence and outrage have been done to innocent and unoffending people. The sequel has been invariably the same. Representations have, of course, been made to the central Government, commissions of inquiry have been instituted, and, after months and years of equivocation and evasion, in sheer weariness of spirit, the execution of a few coolies or underlings and a modicum of pecuniary compensation have been accepted as an adequate atonement for conspiracies which strike, and are intended to strike, not only at the actual victims, but at the influence and prestige of every one of their fellow-countrymen, and indeed of every European. For it is idle to imagine that Chinamen really discriminate either between the nationalities or the professions of the different foreigners who live amongst them. The first great blow struck with relative impunity at the safety of European life and property was the destruction of the French mission and the massacre, chiefly of French priests and nuns, at Tien-tsin on June 29, 1870. At that time no direct telegraphic com-

munication existed between Tien-tsin and Europe. If it had existed, or even if the facilities then existing had been used with ordinary promptitude, the course of European history itself might have been changed. For, had the news of the massacre been received in Paris before the war fever against Prussia had reached its height, Napoleon III. might have eagerly seized the opportunity of deflecting into a less dangerous channel the French craving for military adventure and of restoring his own waning prestige by a crusade against China. As it was, the despatches of the French Legation were delayed in transmission to the nearest telegraph station, and the news arrived in Paris on July 17, the day after the fatal declaration of war had been launched against Prussia. France, with other and more urgent difficulties and disasters to face, was compelled to accept the inadequate satisfaction which China agreed to tender, and from that time to this no European Government has cared, or known how to insist upon that measure of punishment which can alone prevent the periodical repetition of similar outrages.

Yet a remedy must be found. The missionaries have a right to go to China, and to China they will continue to go, however undesirable their presence there may be considered. Possibly, though it is difficult to see how, the authority of our officials at the Chinese Treaty Ports might be exerted to discountenance the peripatetic zeal of missionary free-

lances whose erratic propaganda is not controlled by the experience of the more responsible missionary organisations. Possibly also the influence of the latter might be more effectually brought to bear upon their own subordinates to prevent them in future from exposing their families, and especially young girls and children of a tender age, to the dangers which must always threaten isolated groups of Europeans in remote provinces of the Empire. But any such measures must necessarily be mere palliatives. Even if, *per absurdum*, we could enact any absolute prohibition of missionary enterprise in China, such a step would only be construed by the Chinese official world as a surrender of our rights, and therefore as an act of weakness which would certainly stimulate rather than diminish the aggressive character of its hostility towards Europeans of all classes. The missionaries, therefore, must remain, and so long as they remain, whatever amount of tact they may display, however studiously they may confine themselves to the task of doing good according to their own lights, they will always be a stone of offence to the Chinese Mandarin, who, so long as he can do so with impunity for himself, will continue to wreak his vengeance upon them by hounding on to them from time to time an ignorant and irresponsible mob. The remedy is simple enough, and though its application may not always be easy, it is the energy rather than the ability to apply it which has hitherto too often failed us. The

central Government must no longer be allowed to shelter itself behind the difficulty which it constantly pleads of exerting its authority over the provincial Governors, nor the provincial Governors to discharge the burden of guilt on to their subordinates. What is wanted is, after all, only the application of a principle which no people recognise in theory more fully than the Chinese—viz., that of responsibility. In cases of treason, for instance, whole families are cut off for one man's sin, and according to the penal code quoted by Professor Douglas in his interesting work on Chinese Society, "all the male relatives of the first degree, at or above the age of sixteen, of persons convicted—namely, the father, grandfather, sons, grandsons, paternal uncles and their sons respectively, shall, without any regard to the place of residence, or to the natural or acquired infirmities of particular individuals, be indiscriminately beheaded." Nor, as he adds, is this all. Every male relative who may be dwelling under the roof of the offender, is doomed to death, an exception being alone made in the case of young boys on condition that they become eunuchs for service in the Imperial Palace. In the same way the highest official of every province is responsible for the acts of every one of his subordinates, even when his only fault is ignorance of their transgressions. Let him be held responsible also, and above all, in the case of outrages upon missionaries, where his fault is connivance rather than ignorance, and

A Chinese Court of Justice. [*To face p.* 90.

LAW

when, as was the case the other day after the ghastly massacre in Fo-kien, he inquires with unblushing effrontery from the representatives of our outraged civilisation: "How many heads do you want?" the answer should be: "Your own to begin with." The interests of the Mandarin class are so closely bound up together, they recognise so fully even in their wrong-doings the solidarity which exists between them, that the condign punishment of a single leading Mandarin will strike terror into the breasts of all his colleagues. The execution of a dozen common malefactors can only increase the Chinaman's contempt for European life which in his estimation even the Governments of Europe must hold very cheap when they are seen to accept such paltry reparation. Under the pressure of an ultimatum backed up by a powerful fleet, the central Government has pronounced upon Liu-Ping-Chang, the real author of the Szu-chuan outrages, what appears to be an unprecedentedly severe sentence of disgrace. But it must be remembered that he had already been suspended from his duties at Cheng-tu more than a year before, and a high official had been dispatched from Peking to take over from him the seals of the vice-regal Yamên. Yet at the beginning of June he was still the virtual ruler of the province, and in all the scenes of violence enacted there at that time his hand was clearly traced and seen to be still all-powerful. Our representative in Peking will doubtless see to it that

the recent Imperial decree shall not turn out to have been like former measures, mere stage thunder. In any case, however, the downfall of Liu-Ping-Chang, whose crimes at any rate stopped short of bloodguiltiness, cannot produce any lasting effect unless such fiendish atrocities as those perpetrated in Fo-Kien are also more amply avenged than they so far appear to have been. No commission of inquiry conducted by Chinese officials, whether in the presence or in the absence of European Consuls, will ever reveal the connection which exists between the immediate culprits and their aiders and abettors in high places, nor is any commission of inquiry necessary to establish a connection which Chinese law itself deduces from the principle of hierarchical responsibility. The Powers have only to insist that the law shall be enforced with the utmost rigour where missionaries have suffered in the same way as it is enforced where Chinamen have suffered, *i.e.*, Chinamen who possess sufficient influence and money to set the law in motion. If the central Government cannot or will not enforce its laws in such cases, then we must take the task into our own hands. We used at one time occasionally to do so, and people in Canton have not yet entirely forgotten that a very high official there was once placed on board of a British man-of-war and deported to Calcutta, where he was allowed the leisure of a lifetime for repentance. Punishment in China

should be retributive if possible, but it must above all be deterrent. There is an underground connection between every viceregal Yamên in China, and an example made of one of them will be felt at every provincial seat of government.

CHAPTER VIII

THE FINANCIAL POSITION OF CHINA

If China has shown greater imperviousness than any other Eastern State to the influences of Western civilisation, there is one point at least on which her obstinacy has until recently stood her in good stead. While other Eastern Powers, scarcely more amenable than China to the wholesome influences of the West, have eagerly welcomed the facilities for reckless extravagance opened up by contact with the modern money market, China has hitherto shown in this direction a very laudable self-restraint. The few small loans which she had from time to time contracted abroad before the Japanese war were always punctually discharged, and the total outstanding amount is barely half a million sterling, which but for the outbreak of hostilities would have been paid off before now. Nor had she until then any internal debt. Under the pressure of a disastrous war she was driven to raise two loans abroad, one, a silver loan of £1,635,000 at 7 per cent., in

December, 1894, and one, a gold loan of £3,000,000, in February of this year. Besides these two loans, contracted by the central Government on the security of the Imperial Maritime Customs under Sir Robert Hart's administration, the provincial authorities obtained considerable advances from local banks and from smaller foreign syndicates on the same security. The total indebtedness represented by these advances has not yet been definitely ascertained, but it may be safely put down at between two and three millions sterling. In addition thereto, and, at least in part, on the same security, internal loans have been floated, which can only be roughly estimated, but which probably do not fall far short of £5,000,000. Altogether, including the small outstanding balance of former foreign loans, the indebtedness of China at the close of the war, might be estimated approximately at £12,000,000 to £13,000,000. By the Treaty of Shimonoseki she undertook to pay Japan a war indemnity of 200,000,000 Kuping taels, and for the retrocession of the Leao-tong Peninsula the compensation which she has to pay, has been fixed at another 30,000,000 taels, or in sterling altogether about £40,000,000. The total liabilities arising out of the expenditure and penalties of war therefore amount to over £50,000,000. How will China be able to meet them?

For a country of three or four hundred million

inhabitants and almost inexhaustible natural resources such a burden ought not to be excessive. But in this, as in every other respect, the same standard cannot be applied to China as to other countries. No trustworthy returns of revenue are published, and such information as is accessible to foreigners with reference to the receipts of the Imperial Treasury in Peking is not only fragmentary and of doubtful intrinsic value, but it is further complicated by the latitude which the provincial treasuries enjoy in the collection and expenditure of revenue. The normal revenue which reaches the Peking Treasury has of recent years been variously estimated at between £15,000,000 and £25,000,000. The discrepancy between these estimates is, however, in a great measure due to the different results shown by conversion at varying rates of Chinese currency into sterling, and at the present rate of exchange for silver it naturally represents a much lower figure than it did a few years ago. So long as the Chinese revenue had no heavy gold payments to meet abroad, it was not materially affected by the depreciation of silver, but with a gold debt of £50,000,000 in sight its situation in this respect is entirely changed. Herr von Brandt, formerly German Minister in Peking, and one of the best of living authorities, adopts the figure of 100,000,000 taels—£15,000,000—as representing the annual revenue of the central

Government, and he subdivides it into the following items :—

	Taels.
Land tax	35,000,000
Maritime Customs, including inland duty on foreign opium	23,000,000
Inland transit dues	12,000,000
Native Customs and native grown opium duty... ...	10,000,000
Salt monoply	10,000,000
Sale of titles and brevet ranks	5,000,000
Rice tribute	3,000,000
Licenses, &c.	2,000,000
Total	Taels 100,000,000

This would appear at first sight to represent an exceedingly low rate of taxation per head of population, but, with the single exception of the Maritime Customs, these figures, even if accurate in themselves, convey no idea of the amounts actually levied from the taxpayer. In view of the colossal scale upon which the official classes conduct their operations of public plunder, it may safely be assumed that for every tael actually paid into the Treasury in Peking at least four or five more are extorted from the public, and melt away in the course of transmission through the nimble fingers of a predatory hierarchy. It is strikingly characteristic of Chinese methods that, always with the exception of the Maritime Customs revenue, the revenue annually paid into the Peking Treasury never seems to vary. The alternations of good and bad years, to which China with her periodical famines and inundations

is more subject than perhaps any other country, are never reflected in the returns of public revenue. In theory, no doubt, the explanation sounds plausible enough, that the various provinces and districts are assessed at a fixed annual sum, in accordance with immemorial custom. But the same custom also prescribes, at least in theory, that remissions of taxation shall be allowed, especially in connection with the land-tax, whenever unforeseen visitations fall upon the tax-payer. As there are few countries where such visitations are of so frequent occurrence as in China, remissions of taxation, if they really took place, ought to produce corresponding fluctuations in the aggregate receipts of the Imperial Treasury. One can hardly help inferring that as there is no trace of any such fluctuations, the remissions themselves are only "make see," like so many other things in China, and that, while an immutable tradition has fixed the amount with which the central Government has to be satisfied, the rest is merely a matter of private bargain between the provincial and the Peking Mandarins. In fact, one notable exception serves to prove that this is the rule. After the wholesale impoverishment of the country by the fearful ravages of the Taeping rebellion, the assessment of the land-tax had to be reduced, and the effect of this reduction was at once visible in the diminished returns of public revenue which have never since been brought up to their earlier

level. In the present condition of things, and so long as there is no prospect of any real reform in its administration, the existing revenue probably represents all that it can be expected to yield, as well as all that the country can be expected to pay. Perhaps, for a few years at least, some shrinkage rather than any increase ought to be expected; for whilst the war was going on the local authorities not infrequently levied the taxes in advance, or lavished profuse promises of future relief in return for immediate contributions, and some of these promises might have to be at least partially redeemed.

Fortunately for her, there is one revenue upon which China can rely, because, except as to ownership, it is Chinese only in name — to wit, the Maritime Customs revenue, levied by foreigners in her employ upon her foreign trade. This revenue represents about three-and-a-half millions sterling at the present rate of exchange, and it should therefore be sufficient to meet the interest of the debt of £50,000,000 contracted in connection with the recent war. It has formed the security for the loans which China has already raised, including the Franco-Russian loan, and forms, indeed, the only security upon which under existing conditions she can possibly expect to borrow in foreign markets. Whether she has improved its value in the eyes of European financiers by granting practically a first lien upon it to two

such masterful creditors as France and Russia, may perhaps be doubted; but it may be safely conceded that, if France and Russia are not in a position to reserve to themselves in future the exclusive right of financing China, she will obtain assistance from other quarters, and on more or less onerous terms be able to meet out of the Maritime Customs revenue the liabilities with which the war has saddled her.

But does that dispose of the financial difficulties of her position? or does it not rather simply displace them? This revenue, which she has henceforth to surrender for the service of a foreign debt, represents not only close upon a quarter of the total revenue hitherto available for purposes of general expenditure, but the most certain and tangible of her revenues. She has spent it to very little purpose in the past. Part of it has gone to feed the Palace in Peking, a still larger portion has been squandered on the creation of armies and fleets which proved a mere snare and delusion; but, one way or another, it has gone to keep up the appearances of Empire, and to supply such stage properties as she has hitherto condescended to borrow from Western civilisation. Even if no real reforms are to be looked for, if the same game of "make see" is to be played in the future as in the past, money will still be required for it. The reorganisation of the army and navy occupies a foremost place in the public

programme, and prospectively no doubt in the private pecuniary calculations of every Mandarin, "conservative," or "progressive"; and, even if it once more produces only sham armies and sham

A STATION MASTER ON CHINA'S ONLY RAILWAY.

fleets, they will have to be paid for. Railways and other public works, if they are to be built at all, are to be built, according to the views still prevalent in Peking, by the Chinese themselves, either out of revenue or with the proceeds of further

28799

loans, the service of which will have to be met out of revenue—*i.e.*, they are to be built with a *maximum* of extravagance, roguery, and incompetence.

If it were conceivable that under the present system of government even a relatively higher standard of honesty could be introduced into the public administration, the Treasury receipts might at once show an increase which would easily meet the new demands to be made upon it without increasing the burden of taxation. But, as has been already, I think, sufficiently indicated, such a contingency is as inconceivable as that the Emperor or his great satraps like Li Hung Chang should sacrifice to the necessities of the State any portion of the vast hoards of wealth which they are known to have accumulated by the sweat of the toiling millions whom they rule. The only alternative which they might be compelled to contemplate would be the surrender of some other branch of the public revenue into the hands of a foreign administration similar to that of the Maritime Customs. But it must be remembered that the administration of the Maritime Customs, as we know it to-day, has grown up in spite of the Chinese Government rather than with its active co-operation. When Mr. Lay was first appointed—more than thirty-five years ago, to direct and assist the local authorities at Shanghai in the collection of the Maritime Customs of that port, the Chinese authorities never dreamt of the importance which an institution so modest in

its origin was destined ultimately to acquire. The dominant influence of England in Peking after the war of 1860 induced them to acquiesce in the gradual extension of a service which annually brought into their coffers a more and more substantial revenue. But even the brilliant success achieved by Sir Robert Hart and the undoubted loyalty both of the Inspector-General and of his able staff to the best interests of China have never overcome the jealousy and aversion of the ruling classes for an organisation which they feel themselves powerless either to criticise or to upset. To the present day, although—or perhaps rather because—they know that every penny collected by the Maritime Customs administration is faithfully paid into the Chinese Treasury, they leave no stone unturned to drive the import trade under native control away from the ports where there is a European Customs administration to those under native administration, with the result, for instance, that in the Canton province the four ports where the customs are collected by Sir Robert Hart's *employés* yield a revenue of three million taels, while the forty ports where they are collected by native officials produce, or at least pay in, less than half a million taels. While every other branch of the public revenue remains absolutely stationary, that of the Maritime Customs has doubled; yet, with such an object lesson in the value of integrity and order constantly before its eyes, the Chinese Government

remains obstinately blind to the substantial advantages which would necessarily accrue from an extension of the same principles of administration to other departments.

Time and again it has been urged in its own interests, and as a mere measure of financial policy, to intrust Sir Robert Hart's administration with the collection of the whole customs revenue, native as well as foreign, and to place in the hands of European officials the management of the salt monopoly, which would be a source of immense revenue if honestly and wisely administered, but is to-day mainly an instrument of petty tyranny and gross peculation. It is still in this direction rather than in a more ambitious attempt to promote a sweeping scheme of general reforms that foreign pressure might at present be most usefully applied. Even if the Emperor and the central Government had any desire to introduce wholesale reforms into the existing system of administration, they could not supply the machinery for carrying their purpose into effect, nor command the material force necessary to overcome the resistance which they would meet with at every point from the vested interests of a powerful bureaucracy leagued together in defence of time-honoured abuses. Any foreign Power prepared to enforce such an undertaking upon the rulers of China would have to furnish both the machinery and the motive power to drive it. It would practically have to take into its hands,

to a far greater extent, for instance, than we have done in Egypt, the real government of the country, and, apart from the danger of international jealousy, such a responsibility is not one to be lightly incurred.

No country probably could be more easily ruled by foreigners than China, for there is no people more docile to its rulers than the Chinese. It is little more than 200 years since the wearing of the pigtail was imposed upon them as a badge of their servitude to a new dynasty of alien conquerors, and to-day there is not a Chinaman who recollects the origin of, or does not glory in, his distinctive head-dress. His conservatism lies in the spirit of unquestioning obedience which he yields to his rulers rather than in the form in which it is exacted from him. But more powerful than the accidents of foreign conquest has hitherto been the unchangeable influence of the governing classes through whom the conquerors have ruled, and to whom they have in turn succumbed.

In Egypt our veiled protectorate has been on the whole fairly successful, because we have found amongst the governing classes at least a certain number of statesmen and officials willing to accept the guidance of a handful of English administrators and to recognise the ascendancy of England without any direct assertion on her part of political sovereignty. In China European influence, and the influence of the present governing classes, are

absolutely and hopelessly incompatible. The former might sweep the latter away immediately upon the assumption of direct sovereignty, and probably none would regret the old order of things or refuse to yield the same obedience to the new. But the two could never be blended. Without the constant application of physical force it is impossible to conceive European or English officials working with or through Chinese Mandarins to any effectual or permanent purpose. A foreign administration like that of the Imperial Maritime Customs can be created and maintained, but only on condition that it remains what it has been from the beginning, an *imperium in imperio*. Other branches of the financial administration will have to be dealt with in the same way if the Chinese Empire is to be preserved, not for its own sake, but for the sake of European peace; and, for the same reason, the control under which they will have to be placed must be such as not to operate to the exclusive political advantage of any single Power or group of Powers. The central Government must be induced to place the collection and management of other portions of its revenue in the hands of European officials, impartially selected from different nationalities, who will develop them in the same loyal and single-minded way in which they have already developed that of the Maritime Customs, and will thus enable it to meet out of its own intrinsically ample resources the growing expenditure of the future. This

much the collective pressure of Europe ought to achieve, and the authority of Peking over the provinces, weakened though it has doubtless been by recent events, would still prove adequate for such a limited purpose, if properly exerted under close and constant supervision. Had France and Russia been in a position to carry out in all its logical consequences the policy of exclusivism upon which they originally entered, by shutting out all other countries from participation in further Chinese loans as they did in the first, they would probably not have been disposed to co-operate in any measure calculated, even indirectly, to restrict the financial tutelage which they aimed at establishing over China; but as circumstances have compelled them to leave the field open for the capitalists of other countries, they can hardly refuse to join with those Powers who merely wish to insure, for the benefit of all the creditors of China, the stability of her financial position.

CHAPTER IX

FROM CHINA TO JAPAN

THERE can be few stronger contrasts than that which presents itself to the traveller who crosses the few hundred miles of sea separating China from Japan. It is like passing from night into day, from an atmosphere laden with the oppressive odour of decay into one charged with the ozone of exuberant vitality. On the western shores of the Yellow Sea he has left behind him a countless agglomeration of human beings which no homogeneity of race, language, or religion has availed to weld together into a nation, a cumbersome and corrupt bureaucracy which barely contrives to keep the ponderous machinery of government moving in the well-worn ruts of time-honoured abuses, and a central authority, loose and shiftless at the best, and now distracted to the verge of utter helplessness and imbecility. On its eastern shores he lands amongst a people whose national vigour has been strung to the highest point of tension by a strenuously centralised administration, which itself re-

sponds in complete sympathy of intellect and heart to the touch of enlightened and resolute rulers. Alone amongst all Asiatic nations, Japan seems to have realised in its fullest sense the modern conception of patriotism, such as we understand it in the West. In China the eyes of even the best among the living generation are hypnotised by constant contemplation of the dead past. In Japan all eyes are straining towards the future. On the one hand, the chaos of misrule, corruption, and ignorance; on the other, a rigid discipline based on an individual sense of duty and an innate love of order. In China an almost universal trend downwards into the common slough of despond; in Japan a combined effort to level upwards. In both countries the lower classes are patient and industrious; but whilst in China what remains to them of the fruits of their industry after they have been squeezed by their rulers is too often squandered in opium smoking and in an insensate mania for gambling, thrift is the rule in Japan. In both countries they are easily governed, but in China there is the dull, unreasoning resignation of the overworked beast of burden, in Japan, the ready acquiescence of a bright and light-hearted people instinct with the joyousness of life.

No ordeal tries the mettle of a nation like war. In China, save for here and there a few brutal assaults upon some unoffending Japanese during the exodus which followed the outbreak of hostilities, the

dull indifference of the masses was rivalled only by the callousness of their rulers. The army, with a splendid physique, great powers of endurance, and a strange indifference to death, except apparently on the field of battle, showed itself to be a mere herd of helpless coolies, and its officers proved themselves if anything more worthless even than the rank and file. The military Mandarins, despised by the civilian *literati*, have no pride in their profession, and treat their men with the same heartless contempt which is meted out to themselves. In fact they are never with their men, and least of all when any fighting has to be done. A European engineer on the Tientsin Shan-Hai-Kwang Railway, over which thousands of troops were conveyed during the war, assured me that he had never once seen in charge of them an officer of higher rank than a captain—and a Chinese captain is only a coolie promoted from the ranks. The canon of proprieties forbids an officer going near his men—except in order to gamble with them and reduce their pay-sheet by his winnings. The distance which must be preserved on parade and in battle order between the troops and the officers in command of them is laid down in the Chinese text-books with edifying precision. It varies, according to the rank of the military Mandarins, from 1,200 to 3,000 paces. It may be imagined what sort of control an officer sitting at such a safe distance in his palanquin, or, if by chance riding on horseback,

supported in his saddle according to the rules of etiquette by a posse of servants on foot is likely to have over his men. A Chinese camp is very Chinese indeed. To begin with, everything that should be left undone is done to make it as conspicuous as possible to the enemy. Just as every

A CHINESE BRAVE.

Chinese soldier wears on his dark-coloured coat, both back and front, a large white circular patch embroidered with the name of his company and regiment which stands out at a thousand yards like the bull's eye of a target, so every Chinese camp is marked out against the skyline by a gaudy array

of flags and pennants with the standard of the commander flaunting above the rest on a lofty scaffolding right in the centre. The camp itself consists of a collection of quadrangular pens enclosed by mud walls, in which the men are huddled together in batches of five hundred or a thousand, whilst the regimental or headquarter staffs live in comparative luxury in neighbouring villages, and devote their chief energy to defrauding the troops of the largest possible proportion of their rations and pay. What wonder that under such conditions the Chinese army has been a terror not to the enemies whom it was sent to fight, but to the unhappy peasantry of the district where it was quartered! Of discipline there could not be a vestige, though now and again a Mandarin might attempt to repress the savage lawlessness of his men by some condign act of severity equally savage and lawless. On one occasion, for instance, a vendor of bread and cakes whose shop had been ransacked by marauders wearied the General by his lamentations into telling him that, if he could produce one of the offenders, justice should be done him. He forthwith denounced one of the soldiers present, and the General gave orders for the delinquent to be then and there ripped open. If the result showed that he had deserved punishment, well and good. If not, the plaintiff would be subjected to the same penalty for having traduced him. The operation was performed; from the bleeding entrails of the

poor wretch material evidence of his guilt was produced. Chinese justice had been done!

Japan is a nation of hero worshippers, undiscriminating, perhaps, at times in the objects of its worship, but always accessible to the highest forms of emotion. The enthusiasm of the army for the first time called out for active service was equalled only by the enthusiasm of the people for the army. To the impression made by the Japanese army in the field upon a trained observer, Surgeon-Colonel W. Taylor, who acted as British military attaché during the war, has recently rendered an impartial testimony in the course of a lecture delivered to his brother officers at Aldershot. "It was," he said, "in no sense an exaggeration to say that the progress made by Japan in recent years, and more especially in the organisation of her army and navy, was unknown to western nations up to the date when the late war with China broke out. That she possessed a military service of a certain strength and made up of different branches considered necessary parts of a modern army was doubtless known to the Intelligence Departments of the European nations, but not one of these had the slightest idea of the high state of efficiency to which the military organisation had been brought or of the splendid discipline, hardihood, and bravery of the soldiers of which the Japanese army was composed. Nor was it appreciated that Japan had physicians and surgeons of the highest standing, many of whom had taken first-class

honours in American and European schools, and some of whom were pioneers in bacteriological and other branches of scientific research. Recognising that trained soldiers were worth looking after and caring for, that it was necessary to keep them in health, and that humanity demanded the relief or, at any rate, the alleviation of all suffering, she organised her Army Medical Department. The effect of that organisation was such that there was no nation in the world—not even Germany—to whom Japan could not teach many lessons, so perfect and complete was her system of medical service."

In the eyes of the Japanese themselves the warlike achievements of a national campaign conducted on the most approved principles of modern science represented but the natural evolution of those feudal virtues which fired the imagination of their ancestors, and had ever formed the favourite themes of their poets. There was not a hamlet in the most secluded country side which did not thrill to every episode of the war and deck itself out in all the bravery of bunting and triumphal arches to welcome back its own small contingent of battle-stained warriors. Even the bearers and coolies, the humblest of non-combatant camp-followers, had their share in the joyful home-coming. In China I had seen the wretched soldiers, dismissed with a mere pittance from the colours, begging and bullying their way home to their distant provinces. In Japan, I saw the whole population of a small village in the hills

of Hakona turn out to struggle for the gratuitous honour of taking in a batch of invalided soldiers, who had been sent up from the hospitals of Tokyo to recruit their strength in the more bracing air of the mountains. The one explosion of savage revenge provoked at Port Arthur by the atrocities which the Chinese had committed upon their prisoners should be remembered mainly as the solitary exception to the rule of rigid discipline maintained throughout the rest of the campaign, and against it may well be set off the friendly relations universally established between the conquerors and the peasantry of the Chinese districts which they occupied, and the security enjoyed throughout Japan by the Chinamen who elected to remain on there during the war. The appeals made by so many Chinamen in the neighbourhood of Wei-Hai-Wei and in other districts which the Japanese have to evacuate, begging to be naturalised as Japanese subjects, are an eloquent tribute to the justice and generosity of Japanese administration even in a conquered country.

Of the statesmanship which presides over the destinies of the two countries, the relative value is clearly and indelibly set forth in the pages of their respective history during the last thirty years. Personal acquaintance with its chief exponents on either side merely brings out the contrast in sharper relief. I had met Li Hung Chang in Tien-tsin, and a few weeks later it was my privilege to meet

the Japanese Prime Minister, Count Ito, in Tokyo. Comparisons are proverbially odious, and in this case it might scarcely be a compliment to Count Ito even to institute a comparison. I need merely say that Count Ito not only talked with me in my own language, slowly and somewhat laboriously, yet with correctness and lucidity, but displayed, in the course of a long conversation, a profound acquaintance with the ideas and methods of European civilisation, together with an independent and sometimes critical but always friendly and thoughtful judgment concerning the limits within which their assimilation was desirable or possible from the point of view of his own country's material needs and ethical idiosyncrasies.

But even in those features which must appeal to the casual traveller, the contrast is no whit less startling. Of the Chinese capital I have already attempted to draw what can at best be a faint and very imperfect picture. But the stately isolation and antiquity of Peking spread a certain glamour over the remnants of a once mighty civilisation even in the last stage of decomposition. To realise fully the abomination of a Chinese town, one must pass straight out of the cleanliness and symmetry of the foreign settlements in Shanghai, into the filth and stench and chaos of the native city. They are divided only by a broad thoroughfare and a deep archway under the ruinous walls of the Chinese city. On the one side, under a peculiar but

eminently practical form of municipal self-government, has risen within the last four decades a busy, thriving, well-drained, well-ordered, well-lighted city, with an excellent supply of water, with spacious promenades, with handsome well-kept streets, with commodious houses and fine public buildings, with immense warehouses and business premises, and along the whole-river side, a succession of magnificent quays and commodious docks, fitted in fact with all the modern appliances, which have enabled it to become one of the greatest shipping centres of the world, and the greatest emporium of trade in the Far East. On the other side, under the blight of Mandarin misrule, the ancient native city is slowly rotting away in the decrepitude and sloth of its palsied old age. The more enterprising of its inhabitants are gradually migrating into the European settlements where as law-abiding citizens they enjoy in peace and security the abundant fruits of their natural intelligence and industry. But upon the rest, and especially upon the ruling classes, the object-lesson which lies at their very doors, in even the material advantages of Western civilisation, is absolutely and hopelessly wasted. The European municipalities, anxious to mitigate the dangers which must always arise from the proximity of such a hot-bed of infection, tried to induce the authorities of the native city to have at least a supply of wholesome water laid on from the European waterworks. Very easy terms were

offered, and strenuous official pressure was applied, but in vain. The precincts of the Chinese city were not to be contaminated by clean water filtered in European cisterns.

Outside the cities, and generally in the rural districts of China, one breathes a healthier and freer atmosphere. The peasantry are friendly, and the further they are removed from the demoralising influence of the big Mandarins, the more the contentment of undisturbed industry is reflected in their peaceful homesteads, the more also one realises that whatever there is left of prosperity in China has survived in spite of its rulers. Roads, canals, public works of every kind, except under the pressure of some alarming cataclysm, are left to shift for themselves, and what remains of them simply serves to emphasise the contrast between the past and the present. It is a cruel sight to see the miserable waste of human toil and animal suffering entailed by the neglect of the most ordinary duties of the State. Long files of camels and of mules can pick their way with relative ease, even under heavy burdens, over the well-worn tracks which, except at certain seasons, afford much better going than what are by an excessive euphemism still termed the Imperial roads. But with the conservatism peculiar to China, wheel traffic, which dates back to the time when there were real roads, is still maintained long after the roads have ceased to exist. Four, six, and even eight horses or mules are harnessed to the

cumbersome overloaded waggons, and by dint of blows and curses from their drivers, contrive somehow to drag them along over boulders and through ruts, which in any other country would be looked upon as simply insurmountable. Presently there comes a steep declivity, and to supply the place of a brake, one or two of the unfortunate animals are detached from the team, and secured by long ropes from their collar-piece to the rear of the waggon. Then, as the ponderous vehicle stumbles down the hill-side, a couple of drivers, facing the wretched beasts, belabour them on the head with the heavy thongs and still heavier handles of their whips until forced back upon their hind-quarters they slither down the incline, panting and quivering in every nerve, but counteracting by their struggles the downward momentum of the cart. Perhaps it is only fair to add that the men who have at the same time to act as drags upon the wheels do not fare very much better than the four-footed brakes in the rear, except that they know what they are about, and do not require to be mercilessly beaten. This is however only one of many incidents which illustrate the brutalising effect upon the people of a callous and pitiless ruling class. Not only the moral, but the physical sensitiveness to pain becomes blunted, and the most exquisite refinements of torture merely arouse among the spectators feelings of curiosity and of amusement, rather than of disgust. The same kind of atrophy seems to have

impaired even the artistic sensibility of the people, and with few exceptions the best work that is produced in China to-day is only a feeble imitation, when it is not a mere caricature, of the masterpieces of earlier times. Many of the most beautiful processes of workmanship have been altogether lost, and the spirit which informed them in the days of Kien Lung or of Kiang Hshi is extinct. There is a general impression that China has merely stood still whilst other nations have progressed. But she has in reality proved no exception to the rule that nations must move either forwards or backwards. She was undoubtedly the first to invent most things, from gunpowder to the Wagnerian *leit motiv*, of which the principle is clearly discernible amidst the distressing cacophony to Western ears of her interminable lyrical dramas, and she had reached a relatively high standard of civilisation at a time when our ancestors in Northern Europe were little better than savages. But she has been able to perfect nothing; and though it is difficult to specify the date when she reached the zenith of her prosperity, there are ample indications that within the last one or two centuries she has been from every point of view steadily and even rapidly declining. What we see to-day is not merely stagnation, but decay.

In Japan, on the other hand, the past is only the picturesque background which throws into relief the achievements of the present and the promise of the future. It is needless for me to expatiate upon the

natural beauties of the fair Island Empire of the Far East, or upon the quaintly fascinating manners of its people. For they are nowadays familiar to every one, either from personal knowledge and from the many excellent works produced by more competent authorities than I can claim to be. But in order thoroughly to appreciate either the country or the town life of Japan, there can be no better preparation than a visit to China and to the Chinese capital. Tokyo may not rival Kyoto, the former capital of the Mikados, in historical interest or natural beauty; but it combines, even more strikingly, most of the graceful features of Japanese national life with all the appliances of modern civilisation. In its broad and well-kept streets, over which stretches an intricate network of telephone and telegraph wire, the native jinriksha still holds its own with the electric tramway and the omnibus. The tall chimneys of gigantic factories, where the nascent industry of the Far East is already competing successfully with the old manufacturing centres of the West, overshadow but do not crush the tiny workshops where the skilled artisan puts into his patient labour the individuality of an artist's soul. The merry twinkle of thousands of Japanese lanterns has not been subdued by the more searching brilliancy of the great arc lights which constellate the sky above. The fierce spirit of olden times has departed from the Japanese forms of worship; but the stately shrines of Shiba and

Asakusa have not lost their hold upon the romantic imagination of a poetic people, and the beautiful parks and gardens which surround them, thrown open to all comers, are the favourite resorts of holiday-makers as well as of devotees. Not the least interesting of the many curious and novel features which Japan presents is the rapid assimilation, by a people upon whom dogmatic Christianity at least appears to take no hold, of a civilisation which historical experience has hitherto led us to consider well-nigh incompatible with any other form of religion than Christianity.

The kindly welcome everywhere extended to the foreigner by the highest and the lowest may possibly spring rather from the inborn courtesy of the Japanese than from any special friendliness towards Europeans. But the charm of polished and kindly manners, no less than the exquisite Dutch-like cleanliness which seems to form part and parcel of the Japanese nature, materially enhances the pleasure of travel in a singularly beautiful country, which combines, perhaps more than any other, the interest of strange and unfamiliar surroundings with the requirements of physical comfort. Railways running north and south from Tokyo bisect in its entire length the great central island. The Biwa Canal, which, tunnelled for a couple of miles through the heart of a mountain chain, has brought the rich agricultural district watered by the Biwa Lake into direct water communication with Kyoto,

is a feat of native engineering, conceived and executed solely by Japanese, that may well deserve comparison with the Periyar Canal in Southern India, a somewhat similar work on a yet larger scale, which ranks as one of the proudest achievements of Anglo-Indian engineering science. Harbours and lighthouses, the regulation of rivers, the construction of roads and bridges, the growth of thriving industrial cities such as Osaka, of busy shipping centres such as Yokohama and Hiogo, the rapid development of a large mercantile marine, all bear witness wherever one turns to the ardour and intelligence with which Japan has equipped herself to take her part and to hold her own in the more peaceful competitions as well as in the armed struggles of the modern world. Nothing perhaps is more significant in this respect than the marvellous exhibition of native industries held this year at Kyoto. In spite of the tremendous strain to which the whole life of the nation was subjected, not only by the war with China, but by apprehensions of still graver struggles, the Japanese could yet spare out of the superabundance of their energy enough time and thought and enterprise to achieve a no less signal if more pacific triumph in the field of industry.

CHAPTER X

THE JAPANESE INDUSTRIES AT THE KYOTO EXHIBITION

On the principle that a Jack-of-all-trades can be master of none, it is often assumed that so versatile a people as the Japanese must necessarily be superficial. As a matter of fact thoroughness rather than the superficiality generally imputed to them, seems to be one of their chief characteristics. The history of the recent campaign must have satisfied even the most sceptical critics on this point, as far at least as their military organisation and administration are concerned, though it may be contended that the fighting mettle of their troops was never subjected to any very severe test. The industrial exhibition held this year at Kyoto must have convinced any impartial visitor that they can equally excel in the arts of peace.

Everything that the Japanese do bears the impress of careful thought, and one cannot help believing that in selecting for the site of the most important industrial exhibition hitherto held in Japan the ancient capital where the Mikados were

enthroned before the days of the great national awakening in an atmosphere of exclusiveness scarcely less forbidding than that which still surrounds the Son of Heaven in Peking, they aimed at one of those subtle contrasts in which their artistic nature delights. Like the ancient Greeks and the Italians of the Renaissance, they have an innate sense of the beautiful, and, owing to the absence of all apparent effort, one is apt to overlook the intellectual discipline under which their æsthetic instinct has been trained and matured. No one, for instance, who has visited the marvellous temples of Nikko can fail to have been struck with the impressiveness of the frame in which they have been set. On the terraced slopes of a mountain valley the royal tombs of Yemitsu and Yeyasu stand out in the opalescent glory of their delicate workmanship against an austere and majestic grove of lofty cryptomerias, giant kings of the forest that lived for centuries before and will for centuries outlive the monarchs who lie buried at their feet. We know now from those who have studied the art literature of Japan that this contrast, both natural and symbolical, was deliberately planned and purposed in all its details. The Japanese cedars rival even those of California in height and girth, and their imperishable grandeur and sombre foliage were marked out not only to serve as a foil to the exquisite daintiness and many-coloured brilliancy of these dainty shrines, whose lace-like tracery and carvings and lacquered panels and

burnished columns and incrustations of solid gold seem amidst such surroundings to be almost as diaphanous and evanescent in their beauty as the wings of a butterfly or the hues of a rainbow, but also to remind the worshipper that man's life, however bright, is only a transient sunbeam which lights up but once for every one one single little spot on the mysteriously revolving sphere of countless ages.

Equally suggestive, though of another order of ideas, is the contrast between the Japan of yesterday which lingers still untouched in the older quarters of Kyoto, the City of many Temples, and the Japan of to-day and of to-morrow which does the honours of a thoroughly modern exhibition held in celebration of the eleven hundredth anniversary of the foundation of the city. Within sound of the big bell of Chion-in, which has boomed forth to so many generations of Buddhist worshippers its deep-mouthed call to prayer, within sight of the mediæval castle where even after the Shogunate had capitulated to Western pressure, the Mikados less than thirty years ago still schemed and plotted to keep the "barbarians" out of the "land of the gods," Japan has given living testimony to the reality of the new spirit henceforward associated in her history with the year-name of *Meiji*. The gates of Japan remained closed for more than a quarter of a century longer than those of China against every form of European intercourse, but when they were at last thrown open, although as in

China at first only under compulsion, they were thrown almost at once wide open without any of the mental reservations which have helped China to maintain in spite of treaties the inflexible rigidity of her moral isolation. Only twenty-seven years have elapsed since the one hundred and twenty-third sovereign of a dynasty which has reigned for nearly twenty-seven centuries in unbroken succession over the Island Empire of the Far East realised that the time had arrived to apply to his country the moral of the ancient Japanese proverb that "when men become too old, they must be led by the young." The Kyoto Exhibition contains an epitome of all that Japan has learned during these twenty-seven years from the ripe experience of the West, not learned merely by rote and slavishly copied, but inwardly digested and moulded to her own needs and informed with her own spirit.

The exhibition buildings in themselves cannot claim any more originality or beauty than is usually to be found in such temporary structures, but from the outside they are not unsightly and inside they are well-lighted, well-ventilated, of course kept scrupulously clean, and conveniently arranged and distributed. The contents show the whole range of Japanese industry ; and within the short space of a quarter of a century, the range of Japanese industry has so swiftly and steadily broadened out in every direction that it may be said to fall very little short now of the whole range of the world's industry,

whilst in all those branches which are indigenous to the soil of Japan, it has lost little, if anything, of its artistic originality and traditional pre-eminence. A very brief inspection suffices to dispel one of the many myths prevalent abroad with regard to modern Japan, viz., that she has sacrificed her æsthetic idealism to the practical advantages of a thriving wholesale business in second-rate "art manufactures." Undoubtedly in the seaports chiefly frequented by the omnivorous globe-trotter as well as in many European shops, plenty of Japanese rubbish, not to speak of still baser imitations manufactured in Europe, can be found to-day which twenty years ago no Japanese workshop would have produced or existed to produce. The Japanese are far too good traders to refuse to supply any demand which arises in the foreign market, and they are not to be blamed if the demand includes much which is "cheap and vulgar." But that is not, after all, a phenomenon peculiar to Japan, nor has it impaired the ability of the Japanese to supply the demand which still exists and grows both at home and abroad for the highest and most perfect forms of their national art industries. Only an expert could fittingly describe all the exquisite exhibits at Kyoto which testify to the splendid vitality of Japanese art. The crackled ware of Satsuma, which not long ago seemed doomed to extinction, has once more resumed its place in the front rank of Japanese ceramic art, while the egg-shell porcelains of Mino,

the rich colouring of the Kutani ware, and the potteries of Kyoto itself, show that for variety of conception and for brilliancy as well as softness of tone the best specimens of the present day can well stand comparison with those of the past. Nor have the modern metal-workers and carvers in ivory lost their cunning, though perhaps to this more than to any other branch of Japanese art may be applied nowadays the somewhat severe judgment that "it is great in small things and small in great things." The genius which inspired the great bronze Buddha of Kamakura, that immortal monument of "the peace which passeth all understanding," belongs to far off centuries, and its secret had been lost long before there was any question of contact with Europe. On the other hand the Japanese lacquerers who so soon outstripped their Chinese teachers have scarcely ever turned out finer specimens, especially of the matchless gold lacquer, than at the present day, and the art of *cloisonné* enamelling may be said to have been only now brought to perfection, the modern work of both the Kyoto and the Tokyo schools, each so distinct and so beautiful of its kind, combining with the accuracy and sobriety of design of the older models a hitherto unknown delicacy of colouring and perfection of finish. The oil and water-colour paintings of the Europeanised school are merely the creditable productions of young Japanese artists who have studied chiefly in Paris, but there is

plenty of good work in the old Japanese style to show that the influence of the great artisan-artists did not disappear altogether with Kyosai, although it is apparently the fashion to look upon his death in 1889 as the end of Japanese painting. Still less can one deny to the modern Japanese embroideries, and to the hand-paintings on silk and on velvet, a wealth of imagination and a tastefulness of execution at least equal to the best work of the past. In fact, if I may be allowed as a layman to express a personal opinion, which however is also that of not a few more competent judges, it would seem that, generally speaking, the native industries more especially influenced by the æsthetic temperament of the people have altogether gained far more by the adoption of improved modern processes than they have lost by the relative vulgarisation which must in some measure accompany a largely increased production.

But even if one were prepared to acquiesce in the verdict of the most despondent *laudator temporis acti*, and to regard as inevitable the extinction of all those forms of art which we are in the habit of associating with Old Japan, neither the actual nor the prospective achievements of Modern Japan in the wider fields of the world's industries would be thereby materially affected. These form after all perhaps the most important, though not the most attractive side of the Kyoto Exhibition, for in them we have the material evidence of the extra-

ordinary energy and quickness of apprehension and adaptability of a singularly gifted race. If George Eliot's definition of genius as an infinite capacity for taking pains cannot be altogether accepted as satisfactory, there is no people to whose genius it would seem so applicable as the Japanese. At first they no doubt applied themselves merely to copy the products of European industry, and, as with all beginners, their first attempts were often clumsy and imperfect, but with unswerving tenacity of purpose they kept on plodding away until they had in most cases remedied their defects, and in some improved even upon their models. Within twenty-five years they have learned to produce thousands of articles, from European boots and hats to grand pianos and steam-boilers, of the very existence of which they scarcely dreamed a quarter of a century ago; and not only do they produce them now in ever-increasing quantities and of an excellent quality, but, owing to a variety of circumstances, some accidental but others permanent, they can actually produce them cheaper than in the older industrial centres of the West. Too much confidence, I was told, should not be placed in the indications of prices attached to the exhibits, as some of the Japanese manufacturers were apt to appraise their wares below the real current rates with a view to influence the jury for the distribution of awards, whilst taking care at the same time to label them as "Sold" in order to avoid

the risk of having to part with them at a loss. But it is only fair to say that in the few cases where I was able to put this statement to the test, I had no difficulty in obtaining the same articles at the prices affixed to the exhibition samples.

One of the sections which naturally claims the chief attention of an English visitor is that of textiles, for it includes those manufactured products which already compete only too successfully with those of Lancashire and India, viz., cotton yarns of every grade, and piece goods of every variety. Here, too, can perhaps be seen in its simplest and most striking form the ability of the Japanese not only to turn out the cheapest work possible where it is of a purely mechanical order, but to invest it whenever there is the slightest scope for their artistic feeling, as in the patterns of the commonest cotton fabrics, with a charm of grace and originality peculiarly their own. The silk manufactures, and especially the finer classes of flowered silks and brocades, of course display these artistic qualities in a still higher degree. The woollen industries are still in their infancy in Japan, but there is enough to show how rapidly the supply is following on a demand which has only sprung up of quite recent years. The Australians have already their eye on Japan as a great future market for their wools, and considering the relative proximity of the two countries, our Australasian colonies may well look forward to sup-

plying a raw material which Japan herself can hardly be said to produce.

To give a list of the exhibits in the galleries devoted to the miscellaneous industries of European origin, but now already acclimatised in Japan, would be merely to give a list of almost every article which can be purchased in Oxford Street or Cheapside at the hosiers' and haberdashers', at the trunk-makers' and watch-makers', at the shoemakers' and hatters', at the cutlers' and perfumers', at the jewellers' and goldsmiths', at the grocers' and the ironmongers', at the stationers' and saddlers', at the umbrella-makers' and the toy shops, and so on *ad infinitum*. If for intrinsic quality and fashionable finish they cannot yet be said to stand comparison with the best articles of the same category in first-class London shops, it would be just as great a mistake to imagine that they are mere "shoddy" imitations. In fact the relative inferiority of quality is in most cases trifling compared with the relative inferiority of price. Where the greatest delicacy of workmanship is most essential, the Japanese lightness of touch and precision of eye produce almost perfect results, as in the manufacture of scientific instruments, mathematical, optical, photographic, and specially those for purposes of surgery and dentistry. I chanced to meet in front of one of the cases devoted to this class of exhibits a young German surgeon, the assistant of a well-known specialist,

who was lost in admiration over the finish of the work, and in astonishment over its cheapness. He pointed more particularly to some minute scales for weighing infinitesimal quantities, which, he assured me, could scarcely be matched in Europe, and certainly not for less than twice the price. Not less conspicuous is the ability displayed in adapting agricultural and other mechanical implements to the special needs of the Japanese cultivator and artisan.

Strangest of all, perhaps, in this strange revelation of industrial life, but yesterday still unborn, and now already ripening into the full vigour of maturity, is the roar of steam engines and electro-motors in the spacious gallery set apart for machinery,—machinery not of foreign importation but of Japanese make, derived indeed from foreign models, but applied to the purposes of Japanese manufacture, weaving looms and printing presses, spinning frames and driving gear, &c. This part of the Exhibition represents no doubt rather a suggestion of the future than the actual achievements of the present, for Japan will probably for many years to come have to draw from abroad the greater part of her supply of machinery which figures in the import lists of 1894 for no less than half a million sterling. But considering the enormously rapid strides which she is making, there is really no future which can be looked upon in respect of the development of her industries as indefinitely remote.

By no means the least instructive spectacle which the Kyoto Exhibition presents is the attitude of the native visitors of all classes and conditions whom it has attracted from all parts of the country. The Japanese are undoubtedly a pleasure-loving race, but only on the principle that "all work and no play makes Jack a dull boy," and even when on pleasure bent they have essentially a frugal mind, and if circumstances anyhow permit, still an eye for business. The passenger rates at which the Government contrives to work its railways, and to work them at a large profit, are to our Western notions at all times ridiculously low, scarcely one farthing a mile third class, and for visitors to the Exhibition return tickets have been issued at the price of a single fare; so that the Tokyo artisan, for instance, can travel to Kyoto and back, a distance of some 650 miles, for less than eight shillings; and as another shilling a day amply covers his expenses for food and lodging, the excursion is well within the reach of even his slender purse. As an illustration of what Japanese prices are, a dish of hot, fresh, and fragrant tea, including a teapot and a cup of coarse but tasteful faïence, can be purchased at any railway station in Japan for the sum of three farthings! In these circumstances the Japanese who dearly loves an outing and enjoys travelling for travelling's sake, is not likely to grudge himself such a satisfactory combination of the useful and the pleasurable. For it is quite evident that he has not come to Kyoto

solely out of curiosity or in the search of mere amusement, but to learn. He may stroll unconcernedly through the galleries with which he has no special concern, and laugh and joke with his neighbours over the new-fangled exhibits of European fashion, but when he has reached the section in which he is personally interested, his manner at once changes, he studies everything with close attention, he makes copious inquiries, and in nine cases out of ten he pulls out a note-book and jots down the results of his observations, slowly perhaps and laboriously, but with visibly conscientious thoroughness. He seems to look upon this great temple of modern industry in which he finds a special shrine set apart for his own particular handicraft, much in the same light as he looks upon the temples of his gods which, with their shaded groves and tea-gardens and the popular fairs regularly held in their vicinity, offer the threefold attraction of religious devotions easily performed, an enjoyable pic-nic, and useful purchases on the way home.

Certainly, as one leaves behind him the Exhibition grounds and their picturesque and animated groups of men and women and children, now intent upon merry-making, as half an hour ago inside the building they were intent upon learning, and, strolling away over the silent pine-clad hills of Maruyama, one looks down on the one hand over the exotic expanse of the great city which for eleven centuries

lived its own life there untouched by the breath of our Western civilisation, and on the other over the corrugated iron and glass roofs of the intensely up-to-date buildings in which are stored the marvellous results of a brief five and twenty years' contact with the modern world of thought and action, there must come over the least impressionable mind an overwhelming yearning to know what the future has in store for a nation so old and at the same time so young, which has entered as it were upon its majority in a new phase of life by displaying in the same year equally signal proofs of its aptitude for the arts of peace as for those of war, and which seems alone at the present day capable of preserving, in conjunction with the newly acquired proficiency of an essentially mechanical age, its ancient inheritance of artistic originality and refinement.

LIBRARY OF THE BOMBAY BRANCH OF THE ROYAL ASIATIC SOCIETY.

CHAPTER XI

JAPAN AND ENGLAND

WHILE in China the war has laid bare the immeasurable rottenness hitherto half concealed under the venerable cloak of an ancient civilisation, in Japan it has triumphantly vindicated the reality of a new civilisation against the scepticism with which a social evolution of unprecedented rapidity had been generally regarded. Until last year the attitude of the Western world towards Japan was mainly one either of thinly-veiled derision or of good-natured condescension. We called her "*une traduction mal faite*," or, if we were impartial enough to admit that the translation was not altogether ill-done, we would seldom allow that it was anything more than a translation. It was a favourite commonplace that the Japanese were plagiarists, shallow, superficial; that they had sacrificed the picturesque individuality of their national life in order to ape the manners and customs of their betters; that they masqueraded in the borrowed feathers of political institutions which became them no better than the

European clothes they had adopted in preference to the graceful *kimono* of their ancestors; and that commercial greed had even degraded their sense of artistic beauty in the vulgar attempt to compete with European industries. They were losing their charm as a delicate *objet de vertu* to be toyed with by æsthetic *dilettanti*, and they had yet to show the qualities which would stand the rough usage of a work-a-day world. Another view was that they were meddlesome upstarts whose restlessness would some day make mischief abroad unless internal troubles kept them busy at home—a contingency which might properly be expected from so rash an experiment as that into which their new-fangled constitution had launched them. A third view, naturally favoured by those who, trading with or in the Far East, were the first to feel the daily pinch of Japanese competition, was that they were engaged in a criminal conspiracy against the commercial supremacy of the Western world, and that if it was a mistake to underrate and deride them, it was folly not to recognise in their *concurrence déloyale* a grave public danger. There were, of course, many shrewd observers able to discount the exaggerations of all such views, who realised more fully the meaning and bearings of a great national transformation, with which, however desirable or undesirable from different standpoints, the world would have to reckon. But on the whole, there was little knowledge of the real facts concerning Japan, and where

there was knowledge there was little sympathy. In England especially the doctrine that the Japanese were superficial, aggressive, and generally objectionable was as firmly rooted in many quarters as the belief in the "latent power of China, our natural ally."

It is easy to be wise after the event, and to-day when one passes across from China to Japan, it is impossible to entertain any other feeling but one of profound amazement that so much doubt should have existed amongst well-informed people, and even amongst those who were acquainted with both countries, as to the issue of a struggle between them; and still more that the sympathies of Europeans, and especially of Englishmen, should have been, if not universally, at least at the outset very largely, enlisted on the Chinese side. The explanation of this strange phenomenon can only to a slight extent be found in some of the incidents which preceded and accompanied the outbreak of hostilities. The sinking of the *Kowshing*, a British ship sailing under the British flag, by the Japanese fleet at a time when no state of war was officially known to exist, seemed at the moment to be a wanton outrage upon the flag of a friendly nation. It is now known that Chinese men-of-war had already worthily opened hostilities by firing a few runaway shots at the Japanese ships, and that though the *Kowshing* still flew the British ensign when she was sunk, she had ceased to be a British vessel within any reasonable

meaning of the word, since the Chinese Mandarins on board had taken complete charge of her, and her own officers, overpowered by numbers, could act only under duress. Nor can there be any doubt that the Chinese authorities in chartering a British ship for the transport of their troops instead of using one of their own had from the first reckoned upon the immunity of a neutral flag in the event of her being overtaken by the outbreak of hostilities before the completion of her errand. At any rate the opinion given by the Law Officers of the Crown that no case lies against the Japanese Government finally disposes of the question. But the version current at the time undoubtedly went far to confirm the prejudice raised against Japan by the apologists of China who, for her benefit, propounded afresh the old fable of the wolf and the lamb.

It would be a work of supererogation now to set forth the case for Japanese intervention in Korea, and it is with the results rather than with the causes of the war that I am concerned. Nor need one attempt to dispute the fact that Japan had been steadily preparing herself for a struggle with China, and regarding it as inevitable was not disposed to indefinitely postpone it. But whatever the precise circumstances which precipitate hostilities, a nation cannot properly be charged with provoking a war of wanton aggression when the enemy against whom it is waged has himself been for years past compassing schemes of unmistakable hostility. The

Japanese were far too well informed of all that was going on in China not to be aware that as far back as 1882 the Celestial Empire had determined to seize the earliest opportunity of arresting the progress of Japan and of definitely restoring, by force of arms, the supremacy which in theory it had always claimed over her. In a memorial presented in that year to the throne by Li Hung Chang, to which, unfortunately, publicity was not given so opportunely as by Prince Bismarck to Count Benedetti's proposals, it is expressly stated that such must be the cardinal object of China's policy. "Your Majesty," he says, "has graciously ordered me to undertake the responsibility of preparing the plan for the invasion of Japan," and if the Viceroy deprecated the immediate recourse to arms then contemplated at Peking, it was only because he had formed a more correct appreciation than his colleagues of the relative fighting strength of the two countries. "My humble opinion is, let us not lose sight of our plan of invading Japan, but let us not commit the mistake of doing this in a hurried manner. . . In one of the ancient maxims it is said, 'Nothing is so dangerous as to expose one's scheme before it is ripe.' On this account I have in a former memorial recommended to your Majesty that we should be extremely cautious and take care to conceal our object, whilst neglecting nothing to raise our strength in the meantime." Finally, after discussing what might furnish "the best case for

bringing about a rupture with Japan and coming to extremities," he repeats "that it is above all necessary to strengthen our country's defences and to organise a powerful navy, and the aggressive steps against Japan should not be undertaken too hastily." It may be argued that too much weight should not be laid upon Memorials to the Throne, which are as common as blackberries in China, and that in this particular case Li Hung Chang really veiled under the polite form of a plea for caution and delay his disapproval of the schemes entertained by the hotspurs of Peking. But it is difficult to reconcile this indulgent theory with the attitude which China persisted in maintaining towards Japan, and more especially with the policy consistently pursued by her Resident in Korea. Indeed the whole purpose of Li Hung Chang's armaments was to enable him some day to chastise the Japanese "upstarts," for whom, with the incorrigible pride of his race, he even now cannot conceal his contempt. That his own preparations for war were a trifle less successful than those of the Japanese does not alter the spirit or the intention in which they were conceived. No one in China questioned the invincibility of his ironclads and armies, and all that can be charitably said on his behalf is that he himself probably never realised how entirely the contagion of greed and ignorance, starting from his own Yamên, had unfitted them for anything but the spectacular displays over which he was so fond of

presiding. In these circumstances Japanese statesmen can no more be blamed for having taken up in 1894, under conditions which they believed favourable to their country, the challenge thrown down to them in Korea by the high-handed proceedings of the Chinese, than was Bismarck in 1870 for seizing the opportunity furnished to Germany by the overbearing action of the French in connection with the Hohenzollern candidature to the Spanish throne. Had the influence of England at Peking been exercised to its fullest extent either by the late Government when the Korean complications assumed a more immediately threatening shape last year, or by its predecessors during the long incubation of China's hostile designs against Japan, the latter might have been saved the necessity of vindicating by force of arms her right to work out her national development free from Chinese obstruction, for that was really the question fought out on the battlefields of Korea and Manchuria. Up to the very outbreak of war Japan might have been satisfied with some substantial concession implying a practical confirmation of the equality of Japan already formally recognised by China, especially if such a concession had been made under the pressure and therefore, by implication, under the guarantee of England. But the fatal delusion that China was not only our natural ally, but an ally whose alliance was worth cultivating, had led us for years past to remain conveniently

blind to the general trend of Chinese policy towards Japan, and Lord Rosebery's Government in this respect merely followed at the crucial moment in the footsteps of its predecessors.

What, however, weighed perhaps most strongly against Japan with European, and especially British, public opinion was the bitterness entertained towards her amongst the foreign communities of the Far East. It would not be fair to ascribe this bitterness solely to the jealousy engendered by trade competition, or to a lurking belief that a shiftless country like China affords a more promising field for the undisturbed enterprise of Europeans than an active and go-ahead country like Japan. It must be admitted that there is one very important point in which Japan does not bear favourable comparison with China. In both countries the native commercial classes are strenuous and intelligent, but whereas in China their relative probity, ability, and trustworthiness stand out conspicuous against the vices of the ruling classes, they comprise in Japan some of the least estimable elements in the country. Until the new era of Japanese history they were looked down upon by the old feudal aristocracy with a contempt far more aggressive than that displayed by the Chinese Mandarins towards the corresponding classes in the Celestial Empire. Under these conditions the Japanese merchant or trader, being a kind of social pariah, was not restrained by the same sense of self-respect which governs other classes

of the community, and he acquired, too often justly, the reputation of being a thoroughly unscrupulous rogue. When Japan was thrown open to foreign intercourse, the European merchants naturally sought to guard themselves against the bad faith of the native traders by measures which, however necessary at the time, could not fail to prove more and more galling to a hyper-sensitive people in proportion as the attitude of Japanese society itself towards the mercantile classes underwent a more complete transformation. Trade and commerce have long since ceased to be tabooed, and many of the highest and ablest and most honourable men in Japan are to-day directly or indirectly associated with important banking, industrial, and trading enterprises. There are now not a few Japanese firms which, for absolute integrity and rectitude, can bear comparison with any of the European firms established in Japan. Nevertheless, the standard of mercantile morality, although it has been undeniably raised, is by no means as satisfactory as it should be. Only this summer, for instance, a guild of Japanese merchants combined to defeat the ends of Japanese justice by compelling an English firm, under threats of a general boycott, to partially waive recovery of a judgment pronounced in its favour by a Japanese Court of law in a really outrageous case of breach of contract. Nor did a single Japanese paper venture to point out that the action of this guild

was not only an offence against commercial morality but an affront to the Japanese tribunals. Such incidents naturally breed ill-feeling and distrust, and, though the remedy does not lie in reprisals and recriminations, it is not surprising that the European communities in Japan often allow their judgment to be overborne by prejudice. It is all the more to the credit of the late Government that, in the face of violent local opposition and of ignorance and indifference at home, they were the first to recognise by a generous revision of our treaties the right of Japan, in spite of many shortcomings, to be treated no longer either as a child or as an outcast amongst the civilised nations of the world. Freely granted before the warlike achievements of Japan had strengthened her claim, this concession was a statesmanlike act, of which the satisfactory effects upon the relations of the two countries were only temporarily weakened by certain unpleasant incidents connected with the earlier stages of the war, and by the unabated virulence of the anti-Japanese feeling in a large section of the English Press of the Far East. They were subsequently confirmed and reinforced by our refusal to join with France, Russia, and Germany in their imperious intervention on behalf of China.

Industrial and commercial antagonism is no doubt destined to affect more and more closely in the future the policy of nations, but so long as it is restricted within the limits of lawful com-

petition it can hardly prove an insuperable obstacle to the maintenance of friendly and even intimate relations based upon a community of political interests. Now, the existence of such a community of political interests between the Island Empires of the West and of the East is obtaining every day fuller recognition in Japan as well as in England. Impressionable and passionate as the Japanese from time to time show themselves to be, a remarkable shrewdness and solidity of judgment underlies their excitability. If the enthusiasm with which an unbroken record of military triumphs during the recent war fired the patriotism of an imaginative people did credit to their hearts, the sober moderation with which they wore their laurels did at least equal credit to their heads. Many another nation, better accustomed to the intoxicating effects of victory, would have had its head turned by the sincere flattery of profound astonishment with which Japan's successful *début* on the stage of modern warfare was almost everywhere received. Except for a few ebullitions of youthful vanity in a yet immature press, Japan preserved a coolness and sobriety of judgment which, if it did not entirely preserve her from committing political mistakes, enabled her to rectify them without any irreparable loss of dignity. Japanese statesmen would probably now be the first to admit that they would have acted more wisely in not insisting on a cession of continental territory from China, and with greater experience they might well have foreseen

the resistance which such a demand would provoke in other quarters, especially from Russia. They might, perhaps, even have realised more fully the constant strain to which the retention of an outlying and distant position on the mainland would have subjected Japan. But admitting that they erred in this matter, one is no less bound to admire the suppleness and fortitude with which they accepted the consequences of their error. Confronted by the ultimatum of the three Powers, the Japanese Government referred the issue to its military and naval advisers, and when the latter, without allowing themselves to be dazzled by their recent achievements, declined to undertake the responsibility of forcibly resisting such a combination as was now arrayed against them, it bowed to the inevitable and, without the slightest sign of unseemly vexation, relinquished, in obedience to *force majeure*, one of the chief prizes for which the blood and treasure of the country had been freely poured forth. In the same spirit the nation resigned itself to the decision of its Government, and, high as party feeling runs, even the most hot-headed politicians have hitherto shown little disposition to make capital out of a misadventure which was felt to involve no disgrace. Seldom has a youthful people given surer proof of the self-restraint founded upon an unerring consciousness both of its strength and of the limitations of its strength.

With the same objectivity of judgment the

Japanese, who had not unnaturally resented our action during the earlier stages of the war, especially in warning their fleets off the treaty ports of China, promptly and fully recognised and appreciated the friendly attitude of England in the final crisis, and, unpalatable no doubt in itself as was the advice she tendered them, they were not slow to realise that the conciliatory spirit in which she counselled acceptance of the conditions imposed by the three Powers materially facilitated a dignified withdrawal from a position which had become untenable. But it was not only the contrast between the actual attitude of England and that of the three Powers at this particular juncture which brought home to the Japanese the existence of a real community of political interests between England and Japan. It was still more the light thrown by their intervention in favour of China upon the future policy of the three Powers in the Far East, and especially of Russia. Their action was practically a notice served upon Japan that even though the Sick Man of the Far East were lying on his death-bed she was to have no share in his future inheritance. This notice she was obliged to accept, and, under present conditions, she must for some time to come acquiesce in its consequences. From the moment, therefore, that she finds herself excluded from all further participation in the spoils of the Sick Man, her interests are transferred from the side of those who aim more or less openly at

the dismemberment of the Chinese Empire to that which makes for the maintenance of the *status quo*. Instead of ranking amongst the disruptive forces, she is driven to co-operate with the forces of conservation in the Far East, chief amongst which is England.

No nation can be expected absolutely to renounce all dreams of future aggrandisement, and the day may come when the ways of England and Japan in the Far East will have to part. But the dread of remote contingencies must not be allowed to overshadow the possibilities of present usefulness. For some time to come it looks at least probable that England and Japan may have to travel along parallel paths. The experience of the last year has taught us the value of Japan, and it has taught Japan the value of moderation and prudence, without which she cannot hope to retain the permanent goodwill of England. This lesson has been conveyed to her, not only by the final outcome of the war, but also by the difficulties, many of them of her own creation, which now confront her in Korea. Her excessive optimism, and, it must be added, her own tactlessness in attempting to ride roughshod over the rights and interests of others, have led her into an *impasse* from which she may yet find it hard to withdraw unscathed. In spite of all the endeavours of Count Inouye, one of the ablest of her statesmen, she has to confess to-day that all her efforts to introduce order, tranquillity, and good

government in Korea have been defeated, partly by the incorrigible inertia and ill-will of the Koreans themselves, and partly no doubt, by outside influences. Count Inouye has publicly explained the peculiar difficulties with which he has had to contend, nor in doing so has he spared his own countrymen in Korea. He does not admit that these difficulties are altogether insurmountable, but on his own statement it may be doubted whether Japan is in a position to surmount them. Even if she were ripe to undertake a more arduous task than that which has severely taxed our own powers in Egypt, she has to reckon with the Russians, who make no secret of their determination not to allow Korea to be converted into a Japanese Egypt. One can readily understand that in these circumstances Japan would gladly welcome an opportunity of retiring honourably from such a dangerous and thankless field, if she could do so without merely surrendering it to another Power, whose presence there would be a permanent menace to her own security and independence. It should not be beyond the powers of Japanese statesmanship to produce some scheme which would at least temporarily relieve her from responsibilities to which she is not equal and from apprehensions which she cannot afford to disregard. If, as seems probable, none of the Powers are anxious to push matters to extremities, an international arrangement placing under a collective guarantee the neutrality of Korea and the

independence formally secured to her by the Treaty of Shimonoseki would remove the Korean question out of the forefront of dangerous controversy in the Far East. In working towards this consummation, Japan would be entitled to rely upon the strenuous co-operation of British diplomacy. At any rate, in this as in other questions, the interests of England and of Japan should be arrayed on the same side, and it is upon such an association of interests rather than upon written engagements that must be founded the pacific and, in the true sense of the word, conservative alliances which can alone find favour with British public opinion.

CHAPTER XII

OUR COMMERCIAL INTERESTS

GREAT as are the political changes of which the Treaty of Shimonoseki must be deemed rather the forerunner than the final consecration, and vital as must be their bearing upon the future development of our trade relations with the Far East, there has been hitherto generally a tendency to measure the importance of that instrument, in relation to the commercial interests of the British Empire, chiefly by the clauses which extend the area open to foreign trade in China. The benefits secured by the Treaty in this respect have certainly fallen short of the expectations raised by the demands first formulated on behalf of the Japanese Government, and there has been some disposition even to suspect Japan of having merely put forward those demands as a bait for European, and especially for British, sympathy and support, without any serious intention of enforcing them when once China should have accepted the heavier sacrifices of territory and treasure imposed upon

her by her conquerors. To those acquainted with Oriental methods of bargaining it must seem quite unnecessary to seek for any such Machiavellian explanation of the concessions to which Japan ultimately consented. A Chinaman especially, even when prepared from the very outset to accept practically the terms offered to him, will always expect some trifling point to be conceded to him which shall "save his face." It is, of course, to be regretted that those stipulations to which we attached most value were precisely those which were ultimately expunged from the Treaty. The removal of the Woosung bar at the mouth of the Yang-tsze-kiang would have been an immense boon for the trade and shipping of Shanghai, in which we are so pre-eminently interested. The opening of the West river, in Kwang-tung, had long been urged as a matter of vital importance for our colony of Hong-kong. The opening of Siang-tan and of the Siang river and Tung-ting lake would have been beneficial not only commercially, but also politically, as it would have given access to the province of Hu-nan, hitherto a close preserve of Chinese fanaticism; and in the same way the moral effect of compelling the capital of the Celestial Empire to throw open its gates to foreign trade would have been of the greatest possible value. But, after all, if Japan could not carry every point of her original programme, she can hardly be blamed for having insisted only on

those from which she anticipated the most direct benefit for herself, and what she has actually achieved is by no means inconsiderable or valueless to others than herself. The free navigation of the Yang-tsze is extended from I-chang to Chung-king, and with the opening of Chung-king itself to foreign trade it will enable our influence, commercial and otherwise, to make itself felt in the upper portion of the great valley in which British interests are already so largely concerned. The opening of Su-chau and Hang-chau, and the free navigation of the Woosung river and canal connecting these two cities, are of no less importance to British interests in the lower basin of the Yang-tsze. At Shanghai itself there is indeed some disposition not to look upon these last provisions of the Japanese Treaty as an unmitigated boon. It is clearly of the utmost importance that the industrial development of China, which, as I shall presently endeavour to show, must now be looked upon as imminent, should be centred, as far as possible, in places where British trade has already taken firm and deep root, and therefore, as far as the lower valley of the Yang-tsze is concerned, at Shanghai, the greatest British emporium in the whole country. It is argued that the opening of Su-chau and Hang-chau, though it may not immediately threaten the supremacy of Shanghai, can hardly fail to affect it unfavourably. Although these two great cities,

whose beauty, wealth, and splendour were formerly a favourite theme of Chinese poets, have not yet recovered from the ruinous effects of the Taiping rebellion, they are now once more busy and populous centres of native industry, and, situated as they are in the heart of the cotton and silk districts of China, they will, it is feared, attract away from Shanghai no small share of the native and foreign capital which is waiting impatiently to be invested in cotton mills and silk filatures. Though these apprehensions may not be altogether groundless, they should be considerably lessened by the perusal of an interesting passage which Mr. Beauclerk has specially devoted to this question in the last annual report of the British Legation at Peking on the foreign trade of China. He is clearly of opinion that Shanghai has no serious cause to dread the industrial competition of Su-chau and Hang-chau, while the exceptional banking facilities offered at Shanghai will continue to attract native merchants to that city, which is bound to remain, as in the past, the chief terminus of the import trade as far as the foreign importer is concerned. The whole volume of its trade can, moreover, only increase with the growing prosperity of Su-chau and Hang-chau, and, as regards the free navigation of the waterways connecting them with Shanghai, one may reasonably hope that the universal preponderance of our shipping will secure for us a proportionate share of the local carrying

trade now opened up to foreign enterprise. In fact, it will doubtless be found in this case, as in all other cases hitherto, that every extension of the area of foreign trade, and everything which stimulates commercial and industrial progress, tends to the benefit of British trade generally.

But there are other clauses in the Treaty of Shimonoseki calculated to have much wider and further-reaching consequences for British trade and industry. Under Article VI. it is stipulated that Japanese subjects shall be free to engage in all kinds of manufacturing industries in all the open cities, towns, and ports of China, and shall be at liberty to import into China all kinds of machinery, paying only the stipulated import duties thereon. Further, all articles manufactured by Japanese subjects in China shall, in respect of inland transit and internal taxes, duties, charges, and exactions of all kinds, and also in respect of warehousing and storage facilities in the interior of China, stand upon the same footing and enjoy the same privileges and exemptions as merchandise imported by Japanese subjects into China. Finally, Japanese subjects purchasing goods or produce in the interior of China, or transporting imported merchandise into the interior of China, shall have the right temporarily to rent or hire warehouses for the storage of the articles so purchased or transported without the payment of any taxes or exactions whatever. The benefit of these provisions accrues to ourselves under Article LIV. of the Treaty of Tien-

tsin of June 26, 1858, subsequently confirmed by the convention signed at Peking on October 24, 1860, and to all other Powers who similarly enjoy the most-favoured-nation treatment. The rights secured to foreigners under the Japanese treaty are not in all respects novel—that of importing machinery, for instance, having already been asserted by us in principle; but they have now acquired a practical value which they have hitherto lacked, even where they already existed on paper. For the Japanese will enforce them with their wonted energy, and it will behove other Powers, and especially Great Britain, to do the same, under penalty of being left behind in the race. The Treaty of Shimonoseki opens up a vast field for industrial enterprise, under foreign impulse and direction, of which it is almost impossible to exaggerate the future importance. We can only measure it, to some extent, by what has already happened in Japan.

The point upon which, in this connection, most stress is usually laid in Europe is the damage done to certain branches of European industry by the extraordinarily rapid growth of Japanese industry, and the results already achieved by the latter are undoubtedly calculated to strike the imagination at first sight with astonishment and alarm. The most conspicuous of these results are those connected with the cotton industry. In 1885 Japan imported only $800,000 worth of raw cotton. In 1894 she imported $19,500,000 worth, or more than four-and-

twenty times as much. At the beginning of 1885 there were 19 spinning mills, with about 50,000 spindles, in Japan, and at the end of 1893 there were 46, with about 600,000 spindles. The result was, of course, inevitable. The lower-grade yarns formerly imported from abroad have practically disappeared from the Japanese market, the importation of middle grades is rapidly declining, and only the higher grades, which Japan has not yet set herself to produce, still maintain their footing. The importation of cotton yarns reached its high-water mark in 1888, when the growing supply from the native mills had not yet overtaken the growing demand arising out of a general increase of national prosperity and activity. In that year cotton yarns were imported from Great Britain and India, in about equal proportions, to the total amount of 62,860,000 lbs. Six years later, in 1894, the importation from the same countries amounted only to 21,241,000 lbs., or barely one-third of the former figure. If the pinch has not yet been more severely felt in England, it is due to the fact that the loss has so far fallen much more heavily on Bombay than upon Lancashire, for, while the imports from the latter have been reduced 40 per cent., those from the former have suffered to the extent of 90 per cent. Nor is this all. Not only at the present rate of progress is the time within sight when Japan will cease altogether to import goods of this category, but last year for the first time she actually appeared as an exporter, and for the

respectable figure of 4,500,000 lbs., sent chiefly to China. How entirely the diminution of imports of cotton goods is due to the successful competition of native industry appears from the fact that, wherever that competition has not yet assumed such considerable proportions, the imports, as for instance of cotton piece goods, have continued during the same period steadily to increase—viz., from $5,500,000 in 1888 to close upon $7,000,000 in 1894.

The depreciation of silver, to which I shall have to refer later on, has, of course, contributed very largely to foster the growth of Japanese industry, but it does not alone suffice to account for it. Still less can it be ascribed to the artificial influence of excessive State protection benefiting the producers at the expense of the consumers. Everything that the State could do to encourage legitimately the growth of native industry has been done, but though European firms occasionally complain that the Customs authorities favour the native as against the foreign importer, the existing treaty tariffs have at any rate hitherto been an insuperable obstacle to any prohibitive form of protection. Under the revised treaties Japan undoubtedly hopes to be in a position to favour nascent industries at home by raising the import duties on certain classes of foreign goods, but as she has done so well with the moderate tariffs hitherto in force, one may hope that she will not abuse the liberty which she is recovering to indulge in exaggerated protectionism. For if the

Japanese as a nation have every reason to be proud of the rapid strides made by native industries, those investors who are personally interested in them have every reason to be equally satisfied with the handsome returns they yield. While 93 spinning companies in Lancashire were working at a loss, the cotton mills of Japan were paying in 1894 dividends of 16 to 20 per cent., and even more. These are results which may well provoke jealousy and apprehension among European manufacturers and importers of cotton goods, and, though not in the same degree, similar results may already be noted in connexion with many other branches of industry. Ready-made clothing, boots and shoes, hats and caps, umbrellas, paper of every quality, beer, matches, are all represented by annually diminishing figures in the import column of Japanese trade returns, while the corresponding figures in the export column are rising every year. Silk manufactures exported from Japan have increased in value from $54,547 in 1885 to $8,400,000 in 1894. The annexation of Formosa may be expected to give an immense impetus to the sugar industry by securing to Japan a field of almost unlimited capacity for the production of raw sugar. Japanese coal, the exports of which have risen in value from under $2,000,000 in 1885 to over $6,500,000 in 1894, is rapidly driving English coal, except for special purposes, out of every market east of Singapore, and has

already penetrated as far west as Colombo and Calcutta.

That is one side of the picture, and the one upon which people in Europe generally prefer to dwell. But there is another side to it which deserves at least equal attention. The opening up of Japan, the growth of her native industries, the development of her commercial activity have introduced to us a competitor whose energy and enterprise seriously threaten certain branches of our own trade and industry, but what effect have they had upon our trade and industry taken as a whole? This is surely the material question to which that of the profit or loss of individual branches must remain subordinate. Ten years ago the entire foreign trade of Japan amounted to barely $65,500,000, in 1894 it exceeded $230,000,000—*i.e.*, it has increased nearly three-and-a-half-fold in the space of ten years, and of this increase by far the largest proportion accrues to foreign imports. They have risen from $28,000,000 to $117,000,000, or nearly four-and-a-half-fold within one decade. During the same period British shipping entered and cleared from the ports of Japan has increased from under 1½ million tons to close upon 3 million tons. Of the whole foreign trade of Japan the British Empire takes to-day more than 40 per cent., or, in other words, the trade between Japan and the British Empire alone is to-day nearly half as much again

as was the entire trade between Japan and all foreign countries ten years ago. The balance of trade, moreover, continues to be entirely in favour of the British Empire, and especially of the United Kingdom. The total value of imports and exports from and to the British Empire in 1894 was £9,846,134, whereof the imports into Japan represented £6,779,864, and the exports from Japan only £3,066,570, while of these amounts the United Kingdom itself only imported £626,019, but exported £4,614,517. Nor must it be forgotten that calculations made in sterling, though they alone can properly represent the value of the trade from the point of view of the British producer, do not give an adequate idea of the increasing demand for British produce from the point of view of the Japanese consumer, who, owing to the depreciation of silver, has to pay to-day nearly nine dollars of his own currency for every £1 worth of British goods for which ten years ago he had to pay only five dollars. Thus if we take for purposes of comparison the year 1888, which the pessimists who croak over the impending doom of British trade in the Far East generally have in mind—the last year during which foreign trade already deriving immense benefit from the general development of the country was still relatively free from the pressure of Japanese industrial competition—we find that Japan took less than $20,000,000 worth of goods imported from the United Kingdom,

whereas in 1894 the amount required to meet her demands had risen in her own currency to over $40,000,000.

To appreciate thoroughly the meaning of these figures, it may not be inexpedient to compare them with those of the foreign trade of China, which has not been affected by any such remarkable development of native enterprise as has been witnessed in Japan. The total value of the foreign trade of China has only increased from $230,000,000 to $435,000,000 within the same decade during which that of Japan has increased from $64,000,000 to $230,000,000—*i.e.*, in China it has not quite doubled, whereas in Japan it has been increased nearly three-and-a-half-fold. The foreign trade of Japan, with just over forty million inhabitants, stands already to-day where the foreign trade of China, with nearly ten times the population, stood in 1885, and, at the present rate of progress in both countries, another decade may see them almost on a level. Even more significant in its bearing upon European industries is the relative growth of imports into China and Japan. In 1885 the imports into China amounted to $132,000,000, and in 1894 to $243,000,000, an increase of about 80 per cent. In 1885 the imports into Japan amounted to $28,000,000 and in 1894 to $117,000,000, an increase of over 300 per cent. Surely if statistics can teach any lesson, we may learn from what we have already witnessed in Japan not to look forward

with dismay, but rather with confidence and satisfaction, both to the further development of Japan and to the impending development of China under conditions even more favourable to ourselves, if only we show ourselves determined to secure for British enterprise the fair play which alone it requires in order to reap its legitimate share of the harvest wherever fresh fields are thrown open to human activity.

CHAPTER XIII

THE INDUSTRIAL FUTURE OF CHINA

IT has been rightly said that no question can be of vital importance to the British Empire that is not of vital importance to the British working man. In fact, in a certain sense, this is not only true, but a truism. Truism, or not, however, there is scarcely a question which, judged by that test, can be pronounced of more vital importance than the Far Eastern Question. I showed in the preceding chapter that, though the growth of Japanese industry had pressed heavily upon certain classes of British manufactures, the general development of the country had within ten years more than trebled the whole volume of foreign trade with Japan and more than quadrupled the foreign imports. On the other hand, in China, where the stimulus of national activity has hitherto been lacking, the volume of foreign trade has not quite doubled within the same period, and it is the exports rather than the imports which show the larger proportion of increase. At the present day the demand of Japan's 40 million

inhabitants for foreign goods is equal to very nearly half the consumption of China with her 300 to 400 million inhabitants, and, with regard to goods imported direct from the United Kingdom, Japan is already very nearly as good a customer as China. Should China ever be opened up only to the extent to which Japan is already opened up, the foreign trade of China, on the basis of the present trade of Japan and of the relative population of the two countries, might be estimated at £200,000,000 per annum.

And why should not that estimate be realised? China is endowed far beyond Japan with the natural resources which favour the growth of national wealth and the development of native industries. She grows her own cotton whilst Japan has to import it; she grows silk of a better quality and might increase its production to almost any extent; the same may be said of her teas; she is beginning to export wool in spite of the well-nigh prohibitive cost of transport over impossible roads from the frontiers of Mongolia to the coast; the cultivation of sugar and tobacco is capable of enormous development and improvement; in fact, there is hardly any valuable crop which cannot be successfully grown in one or other region of her vast and fertile soil, nor is there apparently a single mineral or precious metal which does not lie buried under its surface, gold, silver, and iron, and immense coalfields of a quality unrivalled perhaps out of

Great Britain. The trading classes of China compare by no means unfavourably, both for integrity and, within certain limits, for enterprise, with those of Japan. The people of China are as hard-working and industrious as the people of Japan, and make in almost every respect equally good workmen, given equally favourable conditions. The manager of one of the largest cotton mills at Shanghai told me that in regard to mechanical skill the native hands, whether men, women, or children, can stand comparison with the English hands in any Lancashire mill; they are more quickly trained and far more easily managed; they have not so much muscular strength, and cannot perhaps do so much work in the same time, but they make up for it by their readiness to work longer hours. A similar statement was made to me in a Chinese filature. As for the actual supply of human labour, it may be looked upon in China as practically inexhaustible. No sight can be more instructive in this respect than one which may be witnessed every day, not in a remote city where labour is a drug in the market, but in the busiest centre of activity in the whole country—viz., at Shanghai. Some of the local traffic on its waterways is carried on by stern-wheelers, where the motive power is supplied by human labour, steam pressure being replaced by the measured tramp of coolies, who tread the wheel in relays of thirty-six at a time. Labour is, of course, as cheap as it is plentiful, and

is likely to remain cheap for a much longer period in China than in Japan, where the general standard of living is already beginning to rise, and where there are already indications of those labour troubles with which Western countries have long been disastrously familiar. In China, as in Japan, the normal cheapness of labour has of late been further accentuated in relation to European labour by the depreciation of silver.

One does not require to believe in bimetallism in order to recognise the enormous advantages which the manufacturers in a silver country enjoy in competing with gold countries. The cost of the necessaries of life, as far as the masses are concerned, has remained absolutely unaffected by the fall in the value of silver, and the workman is therefore quite content to receive the same wages as he did formerly, for their purchasing power, as far as he is concerned, is still the same. But while the wages bill of the employer in China or Japan has remained actually the same, it stands, in relation to that of his Western competitor, at only half the figure to which it formerly amounted, now that the value of the silver dollar has fallen from one-fifth to nearly one-tenth of the £—*i.e.*, from 4*s.* to little more than 2*s.* gold. Thus, where, for example, for the production of similar goods to the value of, say, £100, the cost of labour was, and still is, £20 in England and $50 in China or Japan, the real cost in China or Japan is no longer, as it was formerly,

£10 in sterling currency as against £20 in England, but only about £5. And the same applies to any raw material required for the purposes of manufacture which both the gold and the silver country equally produce. The silver price of Cardiff coal, notwithstanding the fall of its gold price, has increased from $10 to $15–16 silver per ton, while, with the excellent plant laid down in Japan to work the native mines and the construction of railways to convey their output to the chief industrial centres, the price of Japanese coal has fallen to $3 silver per ton, or for the purposes of competition with gold countries to little more than 6*s.* gold per ton. The depreciation of silver might, in fact, be said to operate as a system of protection in favour of the industries of silver countries as against those of gold countries.

If China possesses in as high a degree as Japan, and in some respects even in a higher degree, the combination of natural resources, favourable opportunities, and working qualities required for the development of powerful industries and sound commercial activity, how is it that she has hitherto lagged so far behind in the race? There is, I think, but one answer to this question. Misgovernment has in almost every direction hampered the spirit of individual initiative in China where it has been stimulated in Japan. The ignorance and arrogance of the official classes have scouted the assistance of foreign capital and foreign brains for

the guidance and education of native enterprise, and their rigid exclusiveness has closed against foreign enterprise every door which they were not compelled to leave open under the specific provisions of treaties wrung out of them by sheer physical force. Their greed has multiplied the exactions under which the inland trade has been left to struggle at their mercy. They have obstinately refused to equip the country, or allow it to be equipped, with even the most elementary appliances required by the conditions of modern trade. Superstition has served as a convenient pretext for forbidding the construction of railways and for keeping locked up in the bowels of the earth the mineral treasures with which the country abounds, lest the navvy's or miner's pick-axe should disturb the mysterious spirits of earth and water which lurk beneath the soil. The few industrial or commercial undertakings in which some of the shrewder or hungrier mandarins have embarked are conducted in the narrowest spirit of selfish monopoly. In fact, official China has looked upon foreign trade as nothing but a vehicle for foreign influence, and, true to her traditions of hatred and contempt for the outside barbarians, she has steadily opposed the force of inert resistance to everything which might conduce to its expansion, and Europe, taking her at her own valuation, has hitherto allowed her "latent resources" to sleep undisturbed in the custody of her "latent power."

Events, however, have moved rapidly within the

last eighteen months. The Japanese war has shattered the venerable imposture which so long overawed the civilised world, and the sixth article of the Treaty of Shimonoseki contains practically a new charter for foreign industrial and commercial enterprise in China. Not only does it assert and confirm the right of foreigners to engage in all kinds of manufacturing industries in the open cities, towns, and ports of China, but it secures for all goods thus manufactured the same privileged treatment in respect to inland transit as for goods imported from abroad. Of scarcely less importance is the provision under which foreigners purchasing goods in the interior or transporting merchandise into the interior will in future have the right to temporarily rent or hire warehouses for storage without liability to any taxes or impositions. Industrial undertakings would probably in any case have remained, for the present, confined to the open ports and towns to which the Treaty of Shimonoseki limits them, but the whole of China is now thrown open for the exchange and transport of commodities under conditions which the Japanese, at any rate, may be trusted not to allow Chinese officialdom to defeat or evade. Nor is it to Japan alone that the pressure of war has rendered China more yielding. We have seen how France and Russia have already worked, for their own purposes, upon her helplessness. Great Britain has perhaps been more slow to realise the opportunities of the

situation, but in one respect, at least, she promptly recognised the necessity of not letting herself be distanced by others. For various reasons we had refrained from enforcing our right to import machinery into China. As soon, however, as the Treaty of Shimonoseki had conferred that right upon the Japanese, who would certainly not be slow to render it operative, the British Legation at Peking demanded the immediate issue of instructions to the Chinese Customs authorities for the removal of all the obstacles which they had hitherto placed in the way of the importation of British machinery, and three months ago, for the first time, British machinery was admitted without let or hindrance at Shanghai. Already on the banks of the river large native-owned cotton-mills and silk filatures are working successfully, despite the cramping influence of their mandarin proprietors, and their tall chimneys seem already to indicate the future site of the great industrial metropolis of the Far East, which, combining the advantages of Manchester and Liverpool with the production at its very gates of all the raw materials required for its manufactures, can hardly fail some day to rival, and perhaps outstrip, its Western prototypes. Nor can that day be far distant. All that is wanted to energise Chinese labour are foreign capital and foreign organisation, and, now that the barrier of Chinese official obstructionism is being broken down, foreign capital and foreign organisation will

pour in. Of these, if we are true to ourselves and to our traditions, we shall contribute our legitimate share and reap a proportionate harvest. One large cotton mill already in course of erection represents the first fruits of British local enterprise, and its success, which seems to be assured beyond all possibility of doubt, is expected to usher in an unprecedented era of industrial activity. Even in a country like China activity is contagious, unless directly paralysed by official obstruction. But, in presence of the pressure which the Powers will probably no longer shrink from applying both at the seat of the central Government and at the provincial centres, that obstruction must gradually relax, as indeed the whole forces of Chinese resistance have already in the last few months shown signs of weakening. Rumours are afloat that the Chinese Government has actually decided to commence the construction of a regular system of railways, and, whether those rumours in their present shape are founded or unfounded, China will undoubtedly have either to build railways herself or to see others build them for her and in spite of her. With the growth of native industries, with adequate means of communication, and with treaty protection against the exactions of inland transport, foreign trade must expand, if not with the same rapidity as in Japan, with even greater prospects of continuity and intensity. If nature has made Japan rich, she has created China even

richer; and, if the average value of foreign imports consumed to-day by every Japanese amounts to nearly $3 a head, an average consumption of less than $0.60 per head in China can only represent a fractional part of the potential purchasing power of a country endowed with almost inexhaustible natural wealth. China is to-day with regard to the possibilities of foreign trade and industry still almost a virgin soil of which we have only scratched the outlying fringe and surface. Even so it yields us an annual trade harvest of a gross value of close upon £30,000,000. What it may yield when we have obtained security and facility of access to the whole area and have applied to it modern methods of improvement and development, it goes "beyond the dreams of avarice" to conceive.

It is, at any rate, a field worth struggling for, and, if we are not only to maintain, but to consolidate and extend, the position which we already hold, we shall not do it without a struggle. The days are past when our industrial supremacy went unchallenged and the whole trade and commerce of the world seemed to gravitate towards us as by some immutable law of nature. We have keen competitors in our own European neighbours. Another and no less keen competitor has sprung up in the Far East. But out of this very competition arises a compensating increase in the whole volume of trade, and, so long as our individual spirit of enterprise does not slacken nor the national vigour

relax which is required to back it up, we have no cause for despondency. No nation is better equipped than ourselves for conquering a fair share of the profusion of material advantages which must accrue to the trade of the world from the industrial and commercial development of the Chinese Empire—an Empire whose population constitutes nearly one-fifth of the estimated total of the human race. Our language is paramount as the only medium of intercourse between the peoples of the Far East and of the West. We were the first to break down the barriers of Chinese intolerance. We have in our hands more than 60 per cent. of the carrying trade by water. There is not a single commercial centre where our commerce has not struck older and deeper and firmer roots than that of any other country. We are, in fact, the people in possession. What we have to do is not only to see that we are neither forcibly ejected nor squeezed out by more subtle means, but also to guard carefully our prospective interests in an estate of growing and perhaps immeasurable value. Those interests are collectively those of the whole community in an Empire built up as ours has been on industry and commerce, and individually those of every working man for the produce of whose labour our foreign markets must be maintained and extended. In no part of the world is commercial power so directly conditioned upon political power as in the Far East,

and nowhere, therefore, should the rulers of the British Empire be able to rely more implicitly upon the support of the British democracy for the maintenance of our political power and with it of our commercial power.

CHAPTER XIV

WANTED, AN IMPERIAL POLICY

If, in the critical phase upon which it has now entered, the Far Eastern Question must put to the test all the highest qualities of British statesmanship, no British Administration could fortunately be placed in a better position to deal with it vigorously and successfully than that to which an overwhelming Parliamentary majority fresh from the polls seems to assure a relatively long and undisturbed tenure of office. During the life of the present Parliament it will be within the power of Lord Salisbury and his colleagues to determine whether the course of events in the Far East shall be so shaped as effectually to safeguard our Imperial interests, actual and prospective, political as well as commercial, or whether those interests shall be allowed to drift, as has too often been the case in the past, at the mercy of unexpected accidents. Our position in the Far East must be sustained, as it has largely been created, by individual enterprise, but nothing would tend

to restore more fully the public confidence upon which individual enterprise is conditioned than some definite proof that her Majesty's Government are acting in pursuance of a clear, comprehensive, and well-considered policy which they are prepared to carry through with unflinching determination.

What should be the lines of that policy it would be presumptuous to indicate, as it must largely affect and be largely affected by our relations in other parts of the world with those Powers whose more or less friendly rivalry we have to face in the Far East. But it may not be inexpedient to draw attention to a few points which impress themselves most strongly on the mind of an impartial observer on the spot. The idea that the alliance of China in her present condition is worth having, or that it can be secured by conciliatory methods of indulgence and forbearance has been, it may be hoped, finally exploded by the events of the last twelvemonth. Whether the maintenance of the Chinese Empire itself continues to be in the future, as in the past, a matter of British interest is a question to which China must be left to furnish the answer by her own acts. If her helplessness is such that she may at any moment lapse into a mere puppet in the hands of Powers who will use her for purposes detrimental to our own interests, if she takes no steps to arrest the process of internal decay which must ultimately produce total and immediate collapse on the first pressure

from outside, we can hardly be expected to show much concern for the merely nominal independence and integrity of an empire which has survived itself. But a Power so essentially conservative and so profoundly interested in the preservation of peace as England cannot wish to hasten a dissolution fraught with so many possibilities of international conflict. If, therefore, there is any remnant of vital energy in China, we should not forego a last opportunity of helping her to extend her precarious lease of life. Not a few of the more influential among the Peking officials recognise in a more or less crude fashion that for the reorganisation of her army and navy, for the consolidation of her financial credit, and for the development of some of her resources, China must have recourse to European assistance. They realise that, had she retained Captain Lang's services and extended their sphere as he suggested, her ironclads might not have been reduced to vainly seeking refuge in harbour from a Japanese fleet inferior in everything but skill, courage, and discipline. If the experience of the war has really taught her that much, it is obviously inexpedient that the task of creating a new navy for her should be allowed to devolve upon any other Power than ourselves, and not less so that any English officer should be allowed to undertake it without ample guarantees for the full and unrestricted exercise of executive and administrative authority without

which the most elementary conditions of efficiency and discipline cannot possibly be secured. The arrangement under which a certain number of Chinese are to be trained in Russian military schools and attached to the Russian Army seems to indicate that Russia is quite prepared to undertake the task of reorganising the land forces of China as far as it may suit her own purposes. But unless the Peking Government has both the will and the power to centralise the administration of the army, the arrangements which it may enter into will presumably only affect the troops of the home provinces adjoining the capital, and the viceroys of the outlying provinces will continue, as in the past, to carry out their own particular views, like Chang Chih Tung at Nanking, who has enlisted military instructors from Germany on his own account, and in the vast majority of cases they will most probably do nothing at all. In dealing with the finances of China, I have already shown that to insure the elasticity of revenue required to meet the charges of the war China will probably be compelled to transfer the collection of some other of her revenues to a reliable European administration, such as that which already exists under Sir Robert Hart for the Imperial Maritime Customs. In the formation of any new administration on that model, or in any extension of Sir Robert Hart's administration, the preponderating interests of British trade and shipping, which

actually contribute 15 per cent. of the total revenue of China, entitle us to the fullest participation. Franco-Russian loans, past or future, cannot be allowed to serve as an excuse for excluding British influence from the administration of revenue created, sustained, and developed mainly by British enterprise. Indeed, should the next Chinese loan be raised, as now seems probable, in London and Berlin upon the security of the Imperial Maritime Customs, it will behove us rather to increase than to relax our control over those revenues in view of the prior lien already granted upon them to Russia and France. Second mortgagees are in the nature of things more closely interested than first mortgagees in maintaining and developing to the utmost the security successively pledged to both classes of creditors. No less important is it that in regard to the construction of railways, the opening of mines, industrial enterprises, and all other measures calculated to develop the immense natural resources of China, England shall strenuously resist any attempt to defeat the treaty provisions under which she enjoys the most-favoured-nation treatment. Apart from the legitimate profits which British capital and British industry may properly expect to derive from participation in such undertakings, the exclusive control by other Powers of the railways and coalfields of China would be fraught in the future with very serious consequences, military as well as commercial.

That we are fully justified in henceforth treating China without fear or favour she has herself been at pains to prove. Whether she ultimately ratifies it or not, in attempting to sign away to France by the Tongking Convention of June last territories which she had solemnly covenanted a little more than a year ago never to transfer to a third Power without our consent, she deliberately turned her back upon the policy of very one-sided friendship which we had hitherto pursued towards her. If the action of French diplomacy in this matter was unfriendly, that of the Chinese Government constituted a flagrant violation of our treaty rights for which we are entitled to exact the most substantial compensation. The British Government intends, it is stated, to resume immediate possession of some at least of the Burmese dependencies which were given in trust to China by the Anglo-Chinese Convention of 1894, and it would be clearly justified in declaring that Convention to be altogether annulled by the Chinese violation of its fundamental conditions. But, besides this, there are many questions connected with the regulation of our boundaries in the upper valley of the Irawadi, with the adequate defence of our positions on the mainland opposite Hong-kong, with the opening of the West river in Kwang-tung and of other districts important to British trade, which are awaiting settlement between ourselves and the Chinese, and we shall neither abate their hostility nor reconquer the wholesome respect which they

had apparently ceased to entertain for us by tolerating the passive resistance which is the Alpha and Omega of her statesmanship. China hates all foreign Powers, but there are some whom she fears and others whom she despises. It is not by permanently taking rank amongst the latter in her estimation that we can hope either to guard our own interests or to exercise upon China for her own good the material pressure which can alone induce her to deploy whatever recuperative powers she may still possess. One can only note with satisfaction that in this respect the situation already shows some improvement in Peking, and that during the last months of his official sojourn in China, Sir Nicholas O'Conor has found several opportunities of teaching the Chinese that England is not yet to be treated as a *quantité négligeable*. Nor should China be allowed to forget that, if others have a claim upon her "gratitude" for their intervention in her favour after the close of the war, we have an equally good claim upon her "gratitude" for the intervention which localised hostilities during the progress of the war. If Shanghai and Canton and the other central and southern ports of China remained unmolested by the Japanese fleet, it was due solely to the friendly but firm representations which we made at Tokio.

But it is not China alone that we have to deal with. France and Russia bulk large in the back-

ground. The policy of the latter may not be inspired by any deliberate animosity toward Great Britain, except inasmuch as our influence is exercised, in her opinion, to shut her off from that access to the open sea which she has hitherto vainly sought, from the shores of the Mediterranean to those of the Pacific. Directly, or indirectly, we have, so far, blocked the road against her in the Levant and in India, and, headed off in both directions, she has thrown herself with her full weight upon the Far East. With regard to the precise nature of the secret agreement which accompanied the Franco-Russian loan we are still in the dark, but there is every reason to believe that such an agreement exists, and that, in spite of skilfully-worded *démentis*, it contains provisions under which Russia will have the right to use Port Arthur as a naval and coaling station for her fleets, and not only to run her Trans-Siberian railway through Manchuria, but also to connect it ultimately with an ice-free port to be subsequently determined, and which may or may not turn out to be Port Arthur, either on the Gulf of Chi-li or on that of Leao-tong. For the moment, and possibly as a pledge for the ulterior fulfilment of some such engagements, Russia seems to be making herself at home in the Bay of San-Kau, an equally convenient and important strategical position to the south of the Gulf of Chi-li at the extreme point of the Shan-Tung peninsula. As far as China is concerned, Man-

churia, of course, lies entirely at the mercy of the Russians, and when the Leao-tong peninsula has been restored to her, she will be nothing more than a tenant holding on sufferance from the Power which has been chiefly instrumental in ousting the Japanese. Whether in so vast a field room might not be found to satisfy Russia's natural ambition to possess a port open all the year round to her fleets without either precipitating the dismemberment of the Chinese Empire and the general scramble which must ensue, or entirely displacing the balance of power to the detriment of others, is a question which cannot be answered until Russia has frankly disclosed the limit of her demands. Much must depend in this respect, from our point of view, upon the extent to which she has determined to identify her policy in the Far East with that of France. For it is, unfortunately, difficult to believe that the main object of French policy there, as elsewhere, is not one of settled hostility to England. On no other hypothesis is it possible to explain the abrupt refusal of the French Minister in China to grant the Tsungli-Yamên time even to consider the British protest against the proposed cession of part of the Kiang-hung province to France before signing the Convention of June 20. Nor have the organs of French colonial expansion and others of a more responsible character hesitated to describe the Tongking Convention with China as only an instalment of the policy which is designed to carry the

French tricolour up the valley of the Mekong into Yun-nan and Szu-chuan, and ultimately drive in a French wedge between British Burma and the valley of the Yang-tsze-kiang, the natural stronghold of British influence in China. The French advance from the south would thus meet the Russian advance from the north, and between the two England would be finally squeezed out.

Such a policy is one in which Great Britain could never acquiesce without abdicating her position in the Far East. For if there is one region in China with which the trade and commerce of our Empire is more closely bound up than with any other, it is the basin watered by the great river which, descending from the borders of our Burmese dominion, flows into the Yellow Sea close to Shanghai, the greatest emporium of British commerce in the Far East. Nothing probably would be better calculated to arrest any plans which may exist elsewhere for hastening on the dismemberment of China, or even to restore a little backbone to China herself, than for us to make it clearly understood that we could under no circumstances allow the valley of the Yang-tsze to pass under the control of another Power.

It is much to be regretted that, while Russia has neglected no opportunity of consolidating her relations with the Mongolian and Manchurian provinces which march with her Siberian frontier, we have hitherto done little to bring the Chinese

provinces of Yun-nan and Szu-chuan into closer contact with our Burmese possessions. It is only within the last few months that a junction has been finally established between our Burmese telegraph system at Bhamo and the Chinese station at Tal-i-fu. Russia on the other hand, by a convention concluded in August, 1892, has already secured a twofold junction between the Chinese lines from Tien-tsin and her stations in the Amur province, the one between Ninguta and Vladivostok, and the other between Tsitsihar and Blagovestchensk, besides the construction of a line from Peking to Kiakhta, *via* Kalgan, Urga, and Maimatchin. Another junction still further west is imminent, as a Chinese line already reaches Su-chau in Kan-su, whence it is to be carried across Dzungaria towards Semipalatinsk. That the Russians will insist, with or without the consent of China, upon carrying their Trans-Siberian railway along the most convenient line of country for themselves, and establishing a terminus on the open sea free from the restrictions which nature imposes upon Vladivostok, is obvious, and there are already indications that as soon as the great northern Trans-Asiatic line is completed they will turn their attention to the extension eastwards of their southern line, which might easily be prolonged from its present terminus at Tashkent to Kuldja, and thence across the heart of Mongolia to Peking, or from

Kuldja northwards towards the upper valley of the Yenisei.

Meanwhile, what has England done? She has wasted years in discussing the relative merits of different routes for approaching South-West China from Burma, and after finally recognising the insuperable difficulties of the line originally favoured by the Indian Government from Bhamo to Tal-i-fu, she has adopted, not the line which every consideration, technical as well as political, appeared to recommend for a great Indo-Chinese trunk line from Moulmein up the Salween valley across Kiang-kheng to Szumao, but a small branch line from Mandalay through Theebaw to the Kunlon ferry on the Salween, and thence on to the Chinese frontier at Mungting, and another running also from Mandalay up the valley of the Irawadi to Mogaung, whence connection by road would have to be established with Tal-i-fu and Yun-nan-fu. Both these lines will doubtless prove useful, but they must be looked upon rather as makeshifts than as the adequate solution of a question which has for years past been repeatedly urged upon the attention of successive Governments. Can one doubt, for instance, that if the construction of the Moulmein-Kiang-kheng-Szumao railway had been taken in hand ten years ago, there would never have been room for the difficulties which have recently arisen between ourselves and the French with regard to the Upper Mekong Valley? To-day

the French contest our rights to part of the territory through which that line would have passed; they have wrested another part from the Chinese; they are establishing a consulate at Szumao, where we are still unrepresented; they have acquired for the development of the mineral resources Yun-nan and for the construction of railways facilities which cannot fail to pave the way for the political absorption of those regions; and two influential French missions are already on their way out to study on the spot the new line of country marked out for French expansion.

The same fatal procrastination has been displayed with regard to another question which has been even more constantly and urgently impressed upon the British Government—viz., the appointment of commercial Attachés in the Far East. While every public and private report has drawn attention for years past to the dangers which threaten British trade and industry from the increasing fierceness of European competition as well as from the growth of native industries, the British Government has taken no steps to procure even an adequate investigation of the question. The ordinary agencies at its command are admittedly insufficient. Consular officers may take the keenest and most intelligent interest in all matters which affect British trade and industry in their own districts, but their knowledge and experience are in the nature of things limited; and the diplomatic staff of the Legations, which both in

China and Japan are undermanned, has neither the time nor the special qualifications required to deal in an exhaustive and comprehensive fashion with the materials at its disposal, still less to undertake independent inquiries, which in many cases could only be satisfactorily conducted on the spot. It is surely not too much to ask that in countries where our present trade amounts to some 40 millions sterling per annum there should be some special officer appointed to watch over interests of such magnitude. Our relations with the Far East are primarily and essentially commercial, and their political importance is merely the result of their commercial importance. It is nothing less than a public scandal that our political officers should be denied the assistance of officials properly qualified to give them responsible advice on the very matters which ought to inform and govern their policy, and this at a time when every other Government is straining its political influence to the utmost for the furtherance of its commercial interests. It is not necessary or desirable that diplomatists should act as touts and agents for every commercial traveller clamouring for orders and contracts, but it is indispensable that they should have at their disposal for the legitimate protection and promotion of trade and commerce technical advice of the highest order.

Scarcely less unfortunate has been the absence of such technical advice in military and naval matters. Had the British Legations in China and Japan been

kept regularly informed by experts of the real condition of the armaments of both countries, we might have been spared the surprise and embarrassment produced by the unexpected collapse of China's resistance. With the establishments which we possess at Hong-kong and Singapore it should not be difficult to organise an efficient intelligence department on the spot, even if financial considerations preclude the appointment of military and naval Attachés from home. It may be hoped also that in future the British fleet in Chinese waters will be kept up to such a standard of strength that its superiority over any other fleet shall not turn mainly, as was the case during the most critical period of 1895, upon the somewhat speculative question of the qualitative superiority of one particular English battleship over the quantitative superiority of the Russian battleships.

If we are to hold our own in the Far East it is upon ourselves alone that we must rely. There are, indeed, Powers for whose co-operation we might legitimately hope against any violent attempt in other quarters to monopolise an excessive share of the vast field which is opening up for human enterprise. The United States, for instance, have larger and more direct interests in the Far East than anywhere else outside of the American continent, and one can hardly imagine any circumstances in which those interests would conflict with our own. There, if anywhere, might be laid the foundations of that

close understanding between the two great branches of the Anglo-Saxon race which it must be the object of every far-seeing statesman on both sides of the Atlantic to promote and extend. Nor in the long run should the interests of Germany, in spite of fierce commercial rivalry, prove antagonistic to our own. What she chiefly wants is what British influence has everywhere and always been exerted to secure—viz., open markets and free play for commercial and industrial activity. Even if Germany contemplates the acquisition of a coaling station off the Chinese coast which would serve as a *point d'appui* for her fleet in the event of a sudden declaration of war overtaking it in Far Eastern waters, this is not a desire which can be denounced as on the face of it unreasonable, so long as in its fulfilment she shows a proper regard for British interests and treaty rights. Nor is there the slightest reason why we should bear her a permanent grudge for having elected to join hands with Russia and France in their intervention in favour of China whilst we preferred to hold aloof. There can be no doubt as to the sincerity of the desire which she so earnestly expressed at the time to see England adopt the same course. There was nothing of hostility to her in our refusal to do so, nor of hostility to us in her abiding by her own decision. In fact, inasmuch as Germany undoubtedly exercised a moderating influence on her somewhat reluctant partners, we at least can have no cause to regret her determination.

There are many circumstances which, as I have already explained, should draw England and Japan much closer together than in the past; but, though the interests of both countries would seem to prescribe a common course of action, they cannot be looked upon as wholly identical. There are some, indeed, who think that Japan may not be proof against the temptation of coming to a direct understanding with Russia for a division of the spoils of China. It is certainly remarkable that within a few months after Japan had been warned that her presence in the Leao-tong peninsula was an intolerable menace to the safety of the Chinese Empire, and before she has actually evacuated it, the most responsible organ on foreign affairs in France should openly invite Japan "as a natural co-heiress of the Chinese Empire" to come to terms with Russia "as to the division of the Sick Man's inheritance, which may be already looked upon as well-nigh open." Whether Japanese statesmen will listen to such cynical proposals must ultimately depend in a great measure upon the reliance which they may feel able to place upon the friendship of England.

Meanwhile, the policy which France and Russia have been lately carrying through with a high hand at Peking is calculated to create legitimate apprehension in this country, for it has so far indicated only too clearly a disposition to ignore our traditional rights and position. But in so extensive a field it should not be impossible for every Power to find

adequate scope for its own activity without placing undue restrictions on that of its neighbours. Unfortunately, in the present mood of French politicians, the governing principle of French policy all over the world seems to be rather to deal a real or imaginary blow at British interests than merely to promote those of France, and such a temper is hard to deal with. There is, however, no sufficient reason at present to believe that Russia is definitely pledged to any such policy. England and Russia are, after all, the two great Asiatic empires of the world, and if they have been able to amicably settle their differences in Central Asia they should be equally able to settle their differences in Eastern Asia by the exercise of similar frankness and forbearance. "Live and let live" is the only principle upon which the scramble for Africa could possibly have been conducted without plunging Europe into sanguinary struggles; and whether the scramble for the Far East be near at hand or whether it may yet be averted, the same principle can alone secure a pacific solution of the Far Eastern question. Great Britain must, at any rate, be prepared for all events. She cannot trust for the defence of rights so well defined and of interests so vital as hers to the mere contingency of doubtful alliances and understandings. Still less can she surrender them without shaking to its very foundations the whole structure of political power and commercial enterprise upon which her world Empire has been built up.

The Far East.

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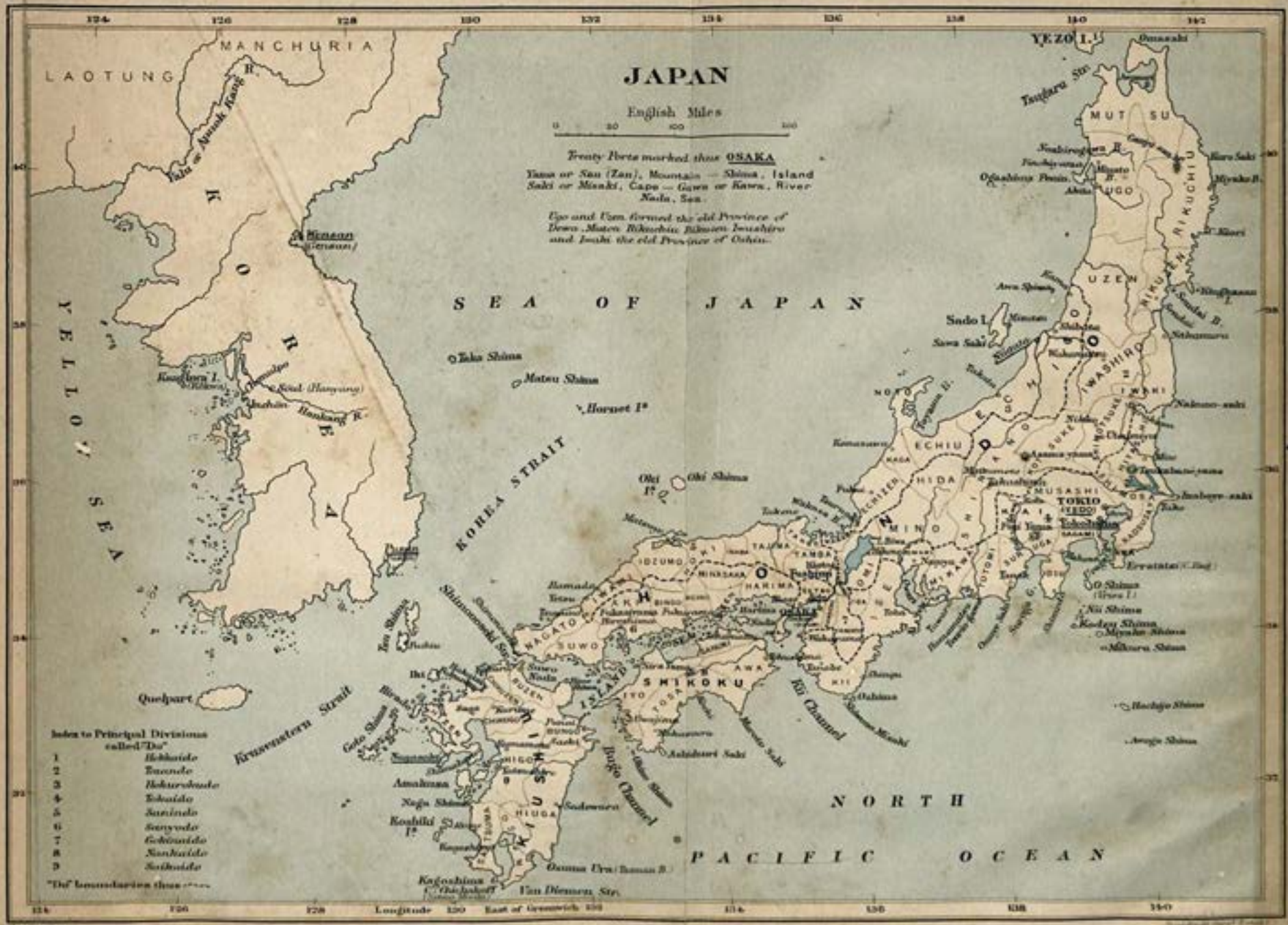

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